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ESSENTIALS
OF
BOOK-KEEPING
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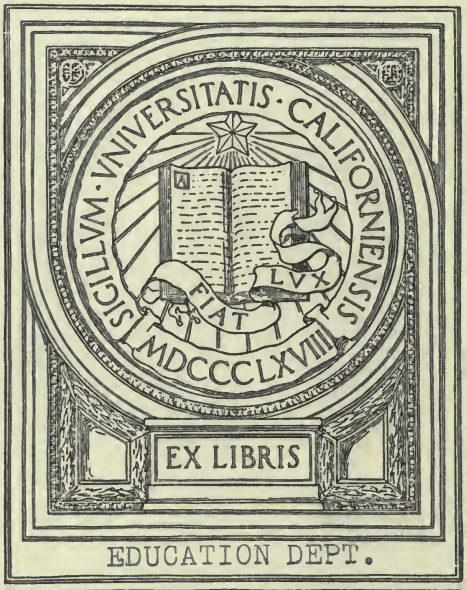

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ESSENTIALS

OF

BOOK-KEEPING,

FOR PUBLIC SCHOOLS.

SINGLE AND DOUBLE ENTRY,

INCLUDING

FORMS AND EXPLANATIONS OF BUSINESS PAPERS

BY

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San Jose, Cal.

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PREFACE.

It is customary to apologize to the public when presenting a new book for their consideration. The works upon Book-keeping already published were made in the East. Our methods of doing business and our prices differ somewhat from the methods and prices of the East. We have consulted with book-keepers, business men, and prominent teachers on this coast, and believe that this manual, the product of our experience and consultations, will be found better suited to the wants of our public schools than other similar works.

Single Entry Book-keeping is extensively used on this coast, consequently, considerable space is given to this system of book-keeping. Our examples and forms are taken, in many instances, directly from the books of merchants in the business centers of this State, and are, therefore, eminently practical.

More attention than usual has been given to the forms and use of business papers, as many have little opportunity of acquiring such knowledge except by an experience that may come too late to prevent errors, and even serious loss.

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SUGGESTIONS TO TEACHERS.

1. Book-keeping is very simple and easy of comprehension, and my aim has been to present every point clearly and distinctly, while giving the student only the *essential* points of the subject to study.

2. A Cash Account presents the elementary ideas of the office of an account; therefore, it is made the first step in the student's progress. The teacher should be satisfied that his class is perfectly familiar with this account before commencing the study of the Ledger.

3. At first, let the student use loose paper and rule his own forms; but, in order to acquire habits of accuracy and neatness, he must copy carefully all the important part of his work in proper blank books.

4. As *red ink* is apt to become a nuisance in the school-room, I suggest that a hard lead-pencil be used to rule lines and to write all words or phrases usually written with red ink. Let the *pencil* mark stand for red ink.

5. Students should not be required to memorize definitions and technical terms before they are called to use them. Use the review questions, and others that may suggest themselves to you, at any seasonable time

6. In order to comprehend fully how and when to use the various forms of "business paper," the student should write out notes, orders, receipts, bills, etc., at the time these papers are mentioned in the "set."

7. Capitalization, punctuation, and *business* penmanship should receive considerable attention, and the blackboard should be made the auxiliary of the text-book in teaching book-keeping and writing.

PART I.

SINGLE ENTRY.

CHARACTERS AND ABBREVIATIONS USED IN BOOK-KEEPING.

CHARACTERS.

@ .....At or to.
a/c.....Account.
% .....Per Cent.
№.....Number.
1¼ .....One and one-fourth.
1½ .....One and one-half.
1¾ .....One and three-fourths.
√ .....Check Mark.
$ .....Dollars.
¢ .....Cents.
£ .....Pound Sterling.
× .....By, as 8 × 11.

℔.....Pounds, Gallons, Yards, Dozens, and Feet.

[NOTE.—This character whenever liable to be misunderstood, is replaced in this text-book by the usual conventional sign.]

ABBREVIATIONS.

A 1.....First Class.
Acc't, or a/c....Account.
Amt.....Amount.
Agt.....Agent.
Aug.....August.
Bal.....Balance.
B. B.....Bill Book.
Bo't..... .....Bought.
Bro't..... ....Brought.
B. P.....Bills Payable.
B. R.....Bills Receivable.
Bbl.....Barrel.
C., or Centum..Hundred.
C. B.....Cash Book.
Co.....Company.
C. O. D.....Collect on Delivery.
Cr.....Creditor.
Col'd.....Colored.
Ds.....Days.
D. B.....Day Book.
Dr.....Debtor.
Do. (Ditto)....The Same.
Doz.....Dozen.
Dft.....Draft.
E. E.....Errors Excepted.
Exch.....Exchange.
Exp.....Expenses.
Fol.....Folio.
Frt.....Freight.
Fwd.....Forward.
Gal.....Gallon.
Hhd.....Hogshead.
Hdkf.....Handkerchief.
Int.. .....Interest.
Invt.....Inventory.
Inv't.....Investment.
Ins.....Insurance.
Inv.....Invoice.
I. B.....Invoice Book.
Inst..... Instant (this Mo.)
Jan.....January.
J. P.....Journal Page.
Lbs.....Pounds.
L. P.....Ledger Page.
Mdse..... .Merchandise.
M. B.....Memorandum Book.
No.....Number.
Pr..... Pair.
Per, or ℔.....By.
P. & L.....Profit and Loss.
Rec'd.....Received.
R. R.....Railroad.
S. B.....Sales Book.
Str.....Steamer.
Sunds.....Sundries.
Ult.....Ultimo (last Mo.)
Viz.....Namely.
Vs.....Against.
X ..... Extra.
Yr.....Year.

BOOK-KEEPING.

1. Book-keeping *is the science of accounts,* and teaches how to record business transactions in a systematic manner.

2. Book-keeping is of two kinds—Single Entry and Double Entry

3. In **Single Entry** we make an entry only when a personal account is affected, at which time we charge or credit the person—making an entry to only one account—hence *single entry.*

4. In **Double Entry** every business transaction is entered in two or more accounts, according to the number affected by the transaction. Every time we debit an account with an item, we credit some other account for the same amount—hence, *double entry.*

5. **An Account** is a collection of items under one heading in the Ledger.

6. **A Personal Account** is an account with a person, firm or corporation.

7. **A Transaction** is any business operation; as, a purchase, a sale, or an agreement between two or more persons.

8. **An Entry** is the memorandum or written statement of a transaction. An *original entry* is the first entry of a transaction.

9. *Two kinds* of books are used in book-keeping—Principal, and Auxiliary or Aid books.

10. The Ledger, and all books containing accounts which are to be transferred directly to the Ledger, may be called Principal books. The Day Book or Journal, Cash Book, and sometimes Sales Book and Invoice Book, contain an account of transactions that are to be carried directly to the Ledger.

DEFINITION OF SINGLE ENTRY BOOKS.

The number of Books required to conduct a business in either Single or Double Entry, and the particular mode of keeping the accounts must depend upon the nature and extent of the business. Single Entry is chiefly used when the business is limited, and the transactions are of a simple character. The following list of books comprises all that are usually used in Single Entry: Day Book, Ledger, Cash Book, Invoice Book, Sales Book.

Day Book.—This book usually contains statements of all the transactions in our business which give rise to persons' owing us, or to our owing them. The date of the transaction, the name of the party, and a description of the "values" received or given, must be recorded with the utmost precision.

The Ledger.—This book is the great reservoir of accounts. Into it flow all the debits and credits of the business. Its contents are usually made up from the Day Book. Some bookkeepers, however, post directly from the Invoice, Sales and Cash Books to the Ledger. The Ledger enables us to see, at one view, all that a person owes us, and all that we owe him.

Cash Book.—This book contains an account of all cash received or paid. The entries should be made in it at or near the time of the transaction.

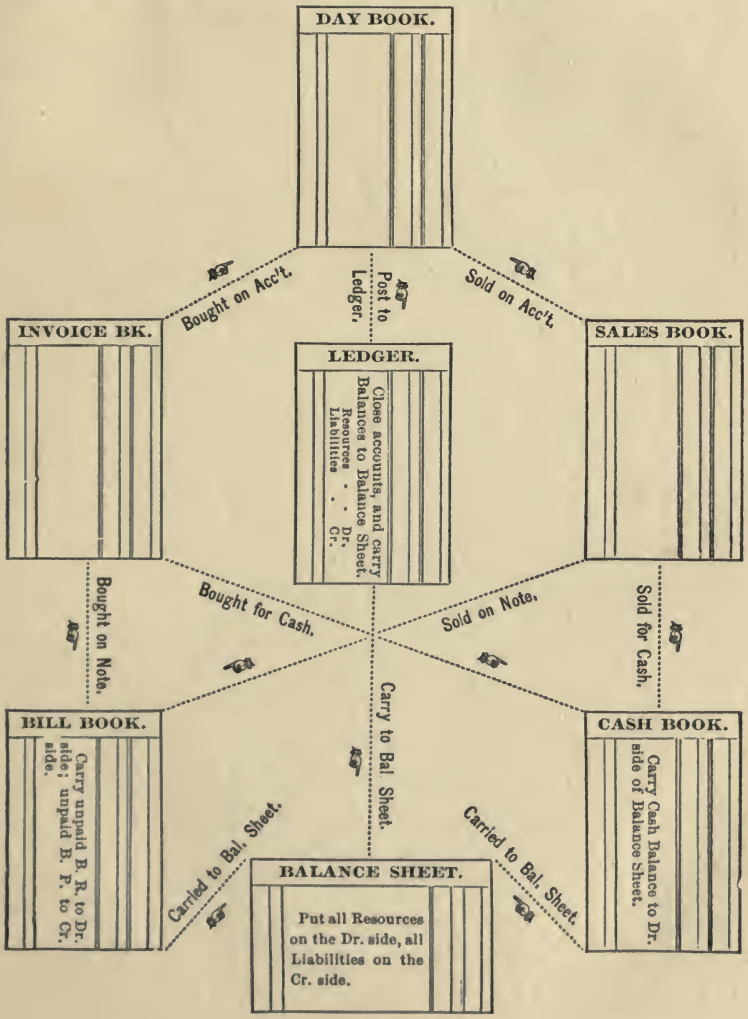
Invoice Book.—This book contains a minute description of all the merchandise bought or received. Copies are made in this book from the bills of goods purchased. The most convenient way of keeping an Invoice Book is to paste the bills received into a book prepared for that purpose. The amounts of each page should be added and carried forward.

Sales Book.—This book contains a description of the merchandise we sell or pass out of our possession. As the purchaser selects his goods, they are entered in the Sales Book, from which entry his bill is made out. The amounts of each page should be added and carried forward.

Bill Book.—This book contains a description of all the notes, drafts, and other species of negotiable paper held by or against us. Negotiable paper in our favor, is classed under the head of Bills Receivable, and that against us, under the head of Bills Payable.

DIAGRAM SHOWING THE RELATION OF THE VARIOUS BOOKS TO ONE ANOTHER.

Some book-keepers post directly from the Invoice, Sales, and Cash Books to the Ledger. If posting only from the Day Book, all business transactions requiring an entry in the Ledger, must first appear in the Day Book.


DAY BOOK.
Bought on Acc't.
Post to Ledger.
Sold on Acc't.
INVOICE BK.
LEDGER.
Close accounts, and carry Balances to Balance Sheet.
Resources . . Dr.
Liabilities . . Cr.
SALES BOOK.
Bought on Note.
Bought for Cash.
Sold on Note.
Sold for Cash.
BILL BOOK.
Carry unpaid B. R. to Dr. side; unpaid B. P. to Cr. side.
Carry to Bal. Sheet.
CASH BOOK.
Carry Cash Balance to Dr. side of Balance Sheet.
Carried to Bal. Sheet.
Carried to Bal. Sheet.
BALANCE SHEET.
Put all Resources on the Dr. side, all Liabilities on the Cr. side.

EXPLANATION OF TERMS USED.

Whenever one person receives anything from another, which he does not pay for at the time, he is said to *go in debt* for it, and he is called a Debtor, and, in book-keeping, he is *debited* for the amount. To debit means to *charge* with the amount of the indebtedness incurred.

A person who sells property without receiving his pay at the time, is said *to give credit* for it, and he is called a Creditor, and, in book-keeping, he is credited for the amount.

The buyer on % is always the Debtor, and the seller on % is always the Creditor. In keeping accounts it is customary, and more convenient, to abridge and write Dr. for Debtor, and Cr. for Creditor.

The word *To* is used on the Dr. side of an account, and indicates indebtedness *to* us from the person named in the account.

The word *By* is used on the Cr. side of an account and indicates indebtedness *by* us to the person named in the account.

Any kind of value belonging to us is called a *resource*, and any debit owed by us is called a *liability*.

All written or printed obligations of whatever form—usually notes and drafts—not payable at sight, in our possession, for which a certain specified amount is to be received, are called Bills Receivable.

All written or printed obligations of whatever kind—usually notes and drafts—not payable at sight, for which a specified amount is to be paid by us, are called Bills Payable.

An Invoice is a bill of merchandise in which all the articles are enumerated, with the price of each article.

An Inventory is a schedule of unsold articles or goods, estimated at their known cash value.

Cash is a term applied to coin and to all business paper payable at sight; as Bank Notes, Checks, Drafts, P. O. Orders, etc.

The Balance of an account is the excess of one money column over the other.

Footing Lines are the single lines, usually drawn with *red* ink, under the money columns to be added.

Closing Lines are the double lines, usually drawn with *red* ink under an account, when the account is closed.

CASH BOOK ACCOUNTS.

Dealers that never *give* any credit require but one book and that is the Cash Book. Receiving credit is of no consequence in book-keeping if none be given. As this book is the *key* book of all the others, we shall commence with it.

Business men attach much importance to the Cash Account, as it is a check against improper payments, and omissions and erroneous entries in other books. Every person should keep a Cash Book. It is customary in actual business to balance this account daily, but the student may balance weekly or monthly as he chooses.

It would aid the beginner if he would look upon "Cash" as a person. When money is received or paid in, Cash is *debited* because it passes into Cash's hands; and when money is paid out Cash is *credited*, because Cash supplies the money that makes the payment.

The left-hand column is for cash received, or "Cash Dr.;" the right-hand column is for cash paid out, or "Cash Cr." Enter in the left-hand column the cash on hand and every receipt of cash, and enter in the right-hand column every cash payment.

When you wish to "balance" or close your Cash Account, add the money columns, subtract the total payments from the total receipts, and enter the balance in *red* ink in the right-hand column. Draw your closing lines, and bring down under the left hand column, in black ink, this balance, which is the cash on hand for the continuation of business.

The following cash transactions will illustrate fully the method of keeping a Single Entry Cash Book:

(John's Cash Account.)—Jan. 1, 1883. Cash from father. $3.50. Jan. 2. Paid 50¢ for a slate, and 75¢ for stationery. Jan. 6. Received $1.50 for three days' work storing wood. Jan. 8. Paid $1.25 subscription to Youth's Companion. Jan. 10. Received $1.25 for a doz. quail. Jan. 13. Paid $1.10 for a hat. Jan. 15. Balanced my account and find $.... on hand. Jan. 18. Received $2.75 for hauling fruit to market. Jan. 20. Paid 75¢ for ammunition. Jan. 22. Paid $1 for Milne's arithmetic. Jan. 25. Received $2 for cleaning yard

26. Paid $1.50 for Life of Columbus. Jan. 27. Received 75¢ for six pigeons. Jan. 28. Paid 60¢ for repairing shoes. Jan. 30. Balance on hand, $.....

CASH.

			Dr.	Cr.
1883				
Jan.	1	Amount on hand	3 50	
	2	Paid for Slate and Stationery		1 25
	6	Received for 3 ds. Labor	1 50	
	8	Paid Sub. to Youth's Companion		1 25
	10	Received for a doz. Quail	1 25	
	13	Paid for a Hat		1 10
	15	*Balance*		*2 65*
			6 25	6 25
Jan.	15	Amount on hand	2 65	
	18	Received for Hauling Fruit	2 75	
	20	Paid for Ammunition		75
	22	Paid for an Arith		1 00
	25	Received for Cleaning Yard	2 00	
	26	Paid for Life of Columbus		1 50
	27	Received for 6 Pigeons	75	
	28	Paid for Repairing Shoes		60
	30	*Balance*		*4 30*
			8 15	8 15
Jan.	30	Amount on hand	4 30	

CASH BOOK EXAMPLES.

The following sets of accounts should be written in Cash Book form by the student—using the form on this page for the first set, and the form on pages 22 and 23 for the others:

(*School Boy's Acc't.*) Aug. 1. Cash on hand, $44.50. 2. Paid $6.80 for set of school books. 3. Paid 75¢ for stationery. 4. Paid 50¢ for car tickets. 5. Paid $5 for board. 8. Rec'd $1.50 for picking fruit. 9. Paid laundry bill, 75¢. 10. Paid for refreshments at a festival, $1.25. 12. Paid $5 for board. 13. Rec'd $2 for picking fruit. 14. Paid laundry bill, 90¢. 15. Balanced acc't and find $.... on hand. 16. Paid 50¢ for stamps. 18. Paid $10.80 for clothing. 20. Paid $5 for board.

22. Rec'd $20 from home. 24. Paid $1.20 for laundry bill. 25. Paid 80¢ for pleasure trip. 27. Paid $5 for board. 28. Paid $1.25 for books. 29. Paid $2.75 for shoes. 31. Balance the accounts.

(Blacksmith's Acc't.) Sept. 1. Cash on hand, $75.80. 2. Paid for iron, $23.10. 3. Rec'd for shoeing horses, $2.50. 4. Paid for stock of wood, $18.50. 5. Rec'd for repairs on wagon, $3.20. 6. Rec'd for repairing plow, $1.50. 8. Paid $3.25 for coal. 9. Rec'd $9.50 for making harrow. 10. Paid $11.50 for groceries. 11. Rec'd $4.50 for shoeing horses. 12. Rec'd $10 of Ira Parker on %. 15. Paid laundry bill, $4.10. 16. Rec'd $5.50 for labor. 18. Rec'd $12.50 of Calvin Webster in full of %. 20. Rec'd $2.80 for labor. 22. Paid $10 for groceries. 23. Rec'd $8.50 of J. H. Brady on %. 24. Paid for fruit, $3.50. 25. Rec'd for labor, $3.25. 28. Rec'd for labor, $2.75. 30. Balance on hand, $....

(Retail Merchant's Acc't.) Oct. 1. Cash on hand, $1,840.25. 2. Paid for butter, $10.20. 3. Paid for stationery, $6.25. 4. Paid A. Waldteufel $12.50, for Acc't Books. 5. Rec'd for sales, $125. 6. Paid for carriage hire, $4.50. 6. Paid clerk's salary, $50. 8. Rec'd of J. G. Kennedy, on %, $16.80. 9. Paid gas bill, $5.60. 10. Paid for Mdse., $240. 11. Rec'd for sales, $110.40. 12. Paid for repairing store, $23.75. 13. Rec'd of Ira More, on %, $20. 14. Paid $12.50 for coal. 16. Paid clerk's salary, $50. 18. Paid for rent of store, $70. 19. Rec'd for sales, $96.10. 20. Paid for clothing, $28.50. 21. Paid for merchandise, $110.80. 23. Paid for drayage, $16.40. 24. Rec'd of Luella Gillespie on %, $23.80. 25. Paid Bancroft & Co. for books, $10.20. 28. Paid for hay, $12. 30. Balance on hand, $....

REVIEW QUESTIONS ON CASH BOOK.

Define Cash. State reasons for keeping a Cash Book. Draw a Cash Book form on the blackboard, and explain the use of the various columns. On which side are Cash receipts entered, and why? What is meant by "balancing the Cash Book?" When and why is the Cash Book balanced? State the use of red ink in balancing. Why is red ink used?

LEDGER ACCOUNTS.

As has been stated, the Ledger is the principal book. When business transactions are few and simple, as with the farmer and the mechanic, the Ledger may be made the only book of accounts.

Each page, or folio, of the Ledger is divided into two parts from top to bottom. The left-hand division is *always* the *debit* side, and the right-hand division the *credit* side of the account. When the Ledger is the only book kept, it is best to use a double-page Ledger, in which the left-hand page is the Dr. side, and the right-hand one the Cr. side of the account.

Study the following examples and forms carefully, and then write the examples on pages 15 and 16 in Ledger form,—using single folio for the first, and double folio for the others.

(A Farmer's Acc't with a Hired Man.) May 1st, 1883. John Edwards has worked one month, @ $30 per month. 10th. Paid Edwards $12. 11th. Let him have 4 centals wheat, @ $1.40 per C. 14th. Paid him $10. 15th. Credit him with two weeks' work, $15.

(An Acc't with a Wheat Field.) Jan. 1st, '83. Debit the field with 9 days' plowing, @ $3 per day. 5th. 3 days' harrowing, @ $2.25 per day. 8th. 22 centals of seed wheat, @ $1.60 per C. 13th. 2 days' work sowing, @ $2 per day. 18th. Harrowing 4 days, @ $3. June 20th. Expense of harvesting and threshing, $70. 28th. Expense of marketing, $15.50. 28th. Credit the field with cash for 324 centals of wheat, @ $1.70 per C. 30th. Sold the straw and stubble for $35. July 1st. Debit the field with the interest on value of 18 acres, $1800 at 7%, $.... What has been my profit on the field?

JOHN EDWARDS.

1883					1883				
May	10	Cash		12	May	1	1 Month's Work		30
	11	4 C. Wheat, @ $1.40		5 60		15	½ " "		15
	14	Cash		10					
	15	*Balance*		*17 40*					
				45					45
					May	16	Balance		17 40

LEDGER ACCOUNTS.

WHEAT FIELD. (18 ACRES.)

1883					1883				
Jan.	1	9 Days' Plowing	27 00		Jun.	28	Cash	550	80
	5	3 " Harrowing	7 50			30	"	35	00
	8	22 C. Wheat	35 20						
	13	Sowing Wheat	4 00						
	18	Harrowing	12 00						
Jun.	20	Expense of Harvesting and Threshing	70 00						
	28	Expense of Marketing	15 50						
July	1	Interest on Land	126 00						
	1	*Balance (Gain on Field)*	*238 60*						
			585 80					585	80

(An Acc't with a Barley Field.) Jan. 30, '82. Plowed the field of 40 acres at a cost of $1.75 per acre. Feb. 15. Furnished 4,800 lbs. seed barley, @ $1.50 per C. 16th. Sowed the field at a cost of $6. 18th. Paid 40¢ an acre for harrowing. July 2. Harvested the barley at a cost of $1.50 per acre. 25th. Paid 18¢ per C. for threshing and sacking 1,050 centals. Aug. 1. Stored the barley until Oct. 1, at a cost of 2¢ per C. per month; cost of hauling barley to warehouse, $15. Oct. 1. Sold the barley for $1.80 per C. Value of the straw and stubble, $45. Interest on value of 40 acres at $75 per acre, @ 8%, $..... What has been my profit on the field?

(A Carpenter's Acc't with a Farmer.) June 30, '82. Worked for the farmer, Henry A. Gordon, 6 days @ $2.50 per day. 10th. Rec'd cash $8.50. 16th. Repaired barn and charged $16. 20th. Rec'd 300 lbs. potatoes, @ 1½¢ per lb. 28th. Repaired fence and charged $8.75. July 8th. Rec'd cash, $10. 15th. Rec'd vegetables valued at $2.75. 30th. Repaired tools and charged $7.75. Aug. 10. Rec'd cash, $15. 20th. Worked on fence 5 days, @ $2.50 per day. 22d. Rec'd cash, $10.50. 24th. Rec'd 20 lbs. bacon, @ 15¢ per lb. 28th. Charged him with 5 days' work on house, @ $3 per day. Sept. 5. Worked 3½ days on barn, @ $3 per day. 12th. Rec'd cash, $6.50. 13th. Rec'd 18 lbs. ham, @ 20¢ per lb. 20th. Worked three days repairing gates, @ $2.50 per day. 26th. Rec'd cash, $5.50. Balance the account Sept. 30th, and bring down the balance.

LEDGER ACCOUNTS.

(A Farmer's Acc't with a Laborer.) March 5, '83. Peter B Cooper worked for me 3 days, plowing, @ $1.50 per day. 10. Sold him 25 # bacon, @ 16¢. 12. He has plowed for me 8 days, @ $1.50 per day. 13. Paid him cash, $5.50. 14. Let him have 200 # potatoes, @ 1½¢. 15. He has ditched for me 3 days, @ $1.75 per day. 20. Bal. $....

REVIEWS AND SUGGESTIONS.

Prepare similar accounts and let students assist in making them. Require the students to draw a Ledger form on the blackboard and explain the use of the various columns. What is meant by opening an account? By closing an account? What is an account? What is shown by the Dr. side of an acc't? The Cr. side of an acc't? What is the difference between the Dr. and the Cr. side called? On which side is the difference placed, and why? When and why is an acc't closed? When and why is the balance brought down? What use is made of red ink in closing?

THE DAY BOOK.

If you do an extensive credit business, a book of consecutive record, giving a plain and simple account of the business as it progresses day by day, will be of essential service; and merchants usually keep a Day Book or "Blotter," as it is sometimes called, in which are entered transactions as they occur. These transactions are then transferred to the Ledger. This is called *posting.*

The date in the Day Book is kept in the middle of the page, and the left-hand columns are used for "checking," and for entering the number of the Ledger page to which the entry is posted.

Remember that if you post only from the Day Book, all business transactions requiring an entry in the Ledger must first appear in the Day Book; such as cash paid or received on account; notes or other business paper given or received on account; Mdse. bought or sold on account, or partly paid for at the time.

DAY BOOK ACCOUNTS.

The following Day Book form should be carefully examined by the student, and the examples given be written in proper form:

San Jose, Jan. 1, 1883. Sold Horace Crocker, on ℔, 20 # bacon, @ 16¢; 25 # sugar, @ 13¢; 50 # potatoes, @ 1½¢. Jan. 2. Sold Geo. S. Wells, on ℔, 300 # of flour, @ $3 per C.; 50 # dried peaches, @ 15¢; rec'd cash, on ℔, $10. Jan. 5. Rec'd cash on acc't of Horace Crocker, $5.50. Jan. 6. Bo't of Farmers' Union, on ℔, 148 # sugar, @ 12¢; paid cash on acc't, $15. Jan. 10. Credit Henry Bailey with five days' work, @ $2. Jan. 15. Bo't of W. O. Blodget, on ℔, 150 # dried prunes, @ 10¢; 200 # dried apples, @ 6¢; paid him cash, on acc't, $10.

SAN JOSE, January 1, 1883.

	HORACE CROCKER,	*Dr.*				
	20 # Bacon,	@ 16¢.....	3	20		
	25 # Sugar,	13¢.....	3	25		
	50 # Potatoes,	1½¢.....		75	7	20
	2.					
	GEO. S. WELLS,	*Dr.*				
	300 # Flour,	@ $3 per C.....	9			
	50 # Dried Peaches,	15¢.....	7	50	16	50
	Cr.					
	Cash.....				10	
	5.					
	HORACE CROCKER,	*Cr.*				
	Cash.....				5	50
	6.					
	FARMERS' UNION,	*Cr.*				
	148 # Sugar,	@ 12¢.....			17	76
	Dr.					
	Cash.....				15	
	10.					
	HENRY BAILEY,	*Cr.*				
	5 ds. Work,	@ $2.....			10	
	15.					
	W. O. BLODGET,	*Cr.*				
	150 # Dried Prunes,	@ 10¢.....	15			
	200 # " Apples,	6¢.....	12		27	
	Dr.					
	Cash.....				10	

DAY BOOK ACCOUNTS.

Sacramento, Oct. 1st, 1882. Sold (use the name of a student), on %, 28 # of sheeting, @ 8½¢; 2 pr. shoes, @ $1.40; 15 # cambric, @ 10¢. Oct. 2d. Bought of (student), on %, 20 # butter, @ 30¢; 124 # cheese, @ 20¢. 3d. Rec'd cash on acc't of (student), $5.00. 4th. Sold (student), on %, 4 # eggs, @ 30¢; 10 # lard, @ 20¢; 12 # coffee, @ 25¢; rec'd cash, $2.50. 5th. Bought of (student), on %, 300 # dried apples, 6¢; 200 # dried prunes, @ 10¢; paid cash, $20. 6th. Sold (student) 50 # flour, @ $4.50, and received his note at 60 ds., for $125; balance on acc't. 8th. Loaned (student) $20. 9th. Gave our clerk (student) an order on (student of 6th inst.) for $25. 10th. Rec'd an order from (student of 2d inst.) requesting us to let (student No. 4) have $20 worth of Mdse. (write the order; for form, see p. 42, No. 24). In the 9th, debit our clerk and credit student; and in 10th, debit student of 2d inst. Give reasons for these debits and credits.

MODEL SET I.

San Francisco, Aug. 1, 1883. Frank Whitby commenced business this day with the following resources and liabilities: *Mdse.*, as per Invt., $750; *cash*, $850.50. He owes Nathan Frank, $150 *on acc't.*

Aug. 2. Sold Frank Merrill, on %, 3 gal. N. O. molasses, @ 85¢; 2 gal. linseed oil, @ 60¢. Aug. 3. Bo't of Essie Smith, on %, 200 # dried prunes, @ 10¢; 75 # dried apples, @ 6¢; sold Essie Smith, on %, 50 # sugar, @ 12½¢. Aug. 4. Paid Nathan Frank cash, on %, $50. Aug. 5. Sold Wm. Roberts, on %, 300 # flour, @ $3.50 per C.; 150 # potatoes, @ 1½¢; rec'd cash, on %, $5. Aug. 6. Sold Calvin Webster, on %, 300 centals wheat, @ $1.60; rec'd his note at 30 ds., for $300; balance on acc't. Aug. 7. Charged Frank Whitby, on private acc't, for groceries to date, $42.50. Aug. 8. Rec'd of Calvin Webster cash, on %, $50. Aug. 9. Sold William Roberts, on %, 140 # sugar, @ 11½¢. Aug. 10. Accepted Nathan Frank's draft, at 10 ds., for balance due him to date. Aug. 12. Took Invt.; Mdse. unsold, $275.

DAY BOOK.

SET 1.] *SAN FRANCISCO, August 1, 1883.*

20	FRANK WHITBY, *Cr.*					
	Cash, invested		850	50		
	Mdse., "		750		1600	50
	Dr.					
20	Amt. due Nathan Frank				150	
	"					
20	NATHAN FRANK, *Cr.*					
	Balance due him				150	
	2.					
20	FRANK MERRILL, *Dr.*					
	3 ℔ N. O. Molasses,	@ 85¢	2	55		
	2 ℔ Linseed Oil,	60¢	1	20	3	75
	3.					
20	ESSIE SMITH, *Cr.*					
	200 ℔ Dried Prunes,	@ 10¢	20			
	75 ℔ " Apples,	6¢	4	50	24	50
	Dr.					
20	50 ℔ Sugar,	@ 12½¢			6	25
	4.					
20	NATHAN FRANK, *Dr.*					
	Cash, on a/c				50	
	5.					
20	WILLIAM ROBERTS, *Dr.*					
	300 ℔ Flour,	@ $3.50 per C	10	50		
	150 ℔ Potatoes,	1½¢	2	25	12	75
	Cr.					
20	Cash, on a/c				5	
	6.					
20	CALVIN WEBSTER, *Dr.*					
	300 Centals Wheat,	@ $1.60			480	
	Cr.					
20	Note, at 30 ds				300	
	7.					
20	FRANK WHITBY, *Dr.*					
	Groceries, to date				42	50
	8.					
20	CALVIN WEBSTER, *Cr.*					
	Cash, on a/c				50	
	9.					
20	WILLIAM ROBERTS, *Dr.*					
	140 ℔ Sugar,	@ 11½¢			16	10
	10.					
20	NATHAN FRANK, *Dr.*					
	Accepted his draft, at 10 ds				100	

LEDGER.

SET 1.] *FRANK WHITBY.*

1883							1883						
Aug	1	To N. Frank	19	150			Aug	1	By Inv't	19	1600	50	
	7	Groceries	19	42	50			*12*	*Net Gain*		*61*	*85*	
	12	Net Cap.		1469	85								
				1662	35						1662	35	

NATHAN FRANK.

1883							1883						
Aug	4	To Cash	19	50			Aug	1	By Balance	19	150		
	10	Acceptance, 10 ds.	19	100									
				150							150		

FRANK MERRILL.

1883							1883						
Aug	2	To Mdse.	19	3	75		*Aug*	*12*	*By Balance*		*3*	*75*	

ESSIE SMITH.

1883							1883						
Aug	3	To Mdse.	19	6	25		Aug	3	By Mdse.	19	24	50	
	12	*Balance*		*18*	*25*								
				24	50						24	50	

WILLIAM ROBERTS.

1883							1883						
Aug	5	To Mdse.	19	12	75		Aug	5	By Cash	19	5		
	9	"	19	16	10			*12*	*Balance*		*23*	*85*	
				28	85						28	85	

CALVIN WEBSTER.

1883							1883						
Aug	6	To Mdse.	19	480			Aug	6	By Note, 30 ds.	19	300		
								8	Cash	19	50		
								12	*Balance*		*130*		
				480							480		

CASH BOOK.

SET 1.] [Single Page Form.]

1883							
Aug	1	Amt. on hand	850	50		
	4	Paid N. Frank on a/c			50	
	5	Rec'd of Wm. Roberts on a/c	5			
	8	" " Calvin Webster on a/c	50			
	12	*Balance*			*855*	*50*
			905	50	905	50

BALANCE SHEET (OR STATEMENT).

	Dr.		Cr.	
Frank Merrill	3	75		
Essie Smith			18	25
Wm. Roberts	23	85		
Calvin Webster	130			
Cash	855	50		
Bills Receivable. (See B. B., on pp. 22 and 23)	300			
Bills Payable. (See B. B., on pp. 22 and 23)			100	
Mdse. on hand, as per Invt., Aug. 12	275			
Present Worth (or Net Cap.)			*1469*	*85*
	1588	10	1588	10

Another *form* for a Statement is the following:—

BALANCE SHEET (OR STATEMENT).

——RESOURCES.——			——LIABILITIES.——		
Frank Merrill	3	75	Essie Smith	18	25
Wm. Roberts	23	85	Bills Payable	100	
Calvin Webster	130		F. Whitby's Net Investment	1408	
Cash	855	50	*Net Gain*	*61*	*85*
Bills Receivable	300				
Inventory of Mdse. on hand	275				
	1588	10		1588	10

NOTE.—Some book-keepers do not enter the proprietor's account in the Day Book and Ledger, but keep a Memorandum Book, in which a statement showing the condition of business at commencing, is made. Agreements, contracts, etc., are also entered in this book.

BILL

BILLS [SET

No.	When Rec'd.	Payer.	Payee.	Date of Note.	Time to Run.
1	1883 Aug 6	Calvin Webster	Frank Whitby	1883 Aug 6	30 ds.

BILLS [SET

No.	When Issued.	Payer.	Payee.	Date of Note.	Time to Run.
1	1883 Aug 10	Frank Whitby	Nathan Frank	1883 Aug 10	10 ds.

CASH [DOUBLE

CASH RECEIVED. [SET

1883 Aug	1	Amt. invested by Frank Whitby	850 50	
	5	Rec'd of Wm. Roberts, on a/c	5	
	8	" " Calvin Webster, on a/c	50	905 50
				905 50

BILL

BILLS [SET

No.	When Rec'd. 1883.	Payer.	Payee.	Date of Note. 1883.	Time to Run.
1	Feb. 1	Geo. S. Wells	Sage & Co.	Jan. 25	30 ds.
2	" 12	Cornelia Walker	Sage & Co.	Feb. 12	30 ds.

BILLS [SET

No.	When Issued.	Payer.	Payee.	Date of Note.	Time to Run.
1	1883 Feb. 1	Sage & Co.	Edward Thomas	1883 Feb. 1	60 ds.

BOOK.

1.] *RECEIVABLE.*

Where Payable.	WHEN DUE. Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	REMARKS.
San Francisco									5				300	

1.] *PAYABLE.*

Where Payable.	WHEN DUE. Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	REMARKS.
San Francisco								20					100	

PAGE.] BOOK.

1.] *CASH PAID OUT.*

1883					
Aug	4	Paid Nathan Frank, on a/c.....	.....		50
	12	*Balance on hand,...*	.....		*855 54*
					905 50

BOOK.

2.] *RECEIVABLE.*

Where Payable.	WHEN DUE. Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	REMARKS.
San Jose		24											150	Discounted, Feb. 15.
San Jose			14										74	Received, Feb. 19, $20

2.] *PAYABLE.*

Where Payable.	WHEN DUE. Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	REMARKS.
San Jose				2									100	

INSTRUCTIONS FOR OPENING AND CLOSING A SET OF SINGLE ENTRY BOOKS.

For Opening a Set of Books. Credit the proprietor in the Day Book, or Memorandum Book, with his Resources, and debit him with his Liabilities. If it is a partnership business, credit and debit each partner in a similar manner.

Take an inventory of all property on hand, classify it, and enter each class of property in its proper book; cash, in the Cash Book or Bank Book; notes, in the Bill Book; Mdse., in the Invoice Book or Memorandum Book; etc., etc. In a partnership business an agreement should be carefully prepared and signed, and recorded in the Memorandum Book.

For Closing a Set of Books. Prepare a "form" for a statement—see page 21. Close each Ledger account, except the proprietor's, and carry the balance to its proper place in the Statement. Close the Cash Book and carry its balance to the Statement. Examine the Bill Book and ascertain the amounts still due on Notes, Drafts, etc., and enter these amounts in the Statement. Take an Inventory of Mdse. on hand, and all other property not accounted for in the Books, and enter these Inventories in the Statement.

One side of the Statement will now show all the Resources, and the other side all of the Liabilities of the business. By closing this statement into the proprietor's account, or by closing the proprietor's account into this Statement, the loss or gain may be ascertained. (For examples of Statements, see page 21.)

Proof-Sheet. If you post only from the Day Book, the sum of the debit and credit footings of the several Ledger accounts, should equal the total footings of the Day Book. Make the proof-sheet before the accounts are closed.

Net Capital or Net Insolvency. Find the Net Capital or the Net Insolvency,—by taking the difference between the Resources and the Liabilities.

Net Gain or Loss. Find the Gain or Loss,—by taking the difference between the Net Capital at commencing and the Net Capital at closing.

SUGGESTIONS AND REVIEWS.

Why is a Day Book kept? What kind of transactions are entered in the Day Book? When are *cash* items entered in the Day Book? How are, in the Day Book, the *debits* distinguished from the *credits?* (See pp. 17 and 19.) Why are the Day Book entries transferred to the Ledger? What is this process of transferring called? Draw a *Day Book* form on the board, and write, at the upper left-hand corner of form, a number to represent this particular page of the Day Book. Draw a *Ledger* form on the board, and write, at the upper left-hand corner of form, a number to represent this particular page of the Ledger. Point out, on the board, the two sides of a Ledger account. What is the left-hand division called? Why? What use is made of the column on the left side of each of the two right-hand columns? What use is made of the two columns on the left side of each division of a Ledger account? Head the Ledger form on the board, using your own name.

Head the Day Book form on the board, using the name of the place or district, where your school is located, and yesterday's date. Prepare an example of *selling to* (use your own name), *on acc't*, and make it the first entry in the Day Book form on the board. Another, of *buying of* (use your own name and the date of to-day), *on acc't*, and make it the second entry in the Day Book form on the board. Post the first entry, using the Ledger form on the board; and be careful not to forget to enter, immediately *after* the posting, the Ledger page in the Day Book, and the Day-Book page in the Ledger. Post the second entry, and attend to the pages, as directed. Close the Ledger account on the board. Point out the *footing* line; the *closing* line. Which of these are single; which double lines? Where, and how far, should the former extend? *(Across the money columns, and on the lowest of the ruled lines on which either an item has been posted, or a balance entry made.)* Where, and how far, should *closing* lines extend? *(Under the ruled line next to the footing line; and across each of the two date, folio, and money columns.)* Prepare an example of *selling to* (use the name of a student), *on acc't*, and of receiving at the time, a part payment by cash or note. Make this entry in the Day Book form on the board. (See p. 19, entries of Aug. 5th and 6th.)

MODEL SET II.

[This Set illustrates the use of the Sales Book and Invoice Book as principal books. (See p. 7; No. 10.) Accounts, in the Sales Book and Invoice Book, which, ordinarily, ought to be entered on the Day Book, to be thence transferred to the Ledger, are, in this Set, directly posted from these, otherwise, auxiliary books; thereby obviating the necessity of entering these accounts in the Day Book. Merchants, however, in order to post from the Day Book *only*, generally prefer to enter on this book all accounts that would have to appear there in case a Sales Book and an Invoice Book were *not* kept. Students, therefore, should be required to write the Day Book of this Set, additionally, in that full form which shows all accounts that must be transferred to the Ledger.]

San Jose, Feb. 1, 1883. Sage & Co. commenced business as follows:

Resources. *Mdse.*, $1500; (In actual business an Invt. of Mdse. would be entered in the I. B., or the M. B.) *Cash*, $800; a *note*, dated Jan. 25, 1883, at 30 ds., for $150, against Geo. S. Wells; F. M. Righter owes this firm $120, *on* %.

Liabilities. D. T. Bateman has an acc't against the firm for $75; Edward Thomas holds their *note*, dated Feb. 1, 1883, at 60 ds., for $100.

Current Items. Feb. 2. Bo't of Pacific Mf'g Co., for cash, 10 hair mattresses, @ $12; 20 cane-bottom chairs, @ $2.10. 3 Sold H. B. Norton, on %, 1 extension dining table, $18; 6 gothic chairs, @ $3.50. 4. Paid cash for coal for the store, $12.50. 5. Rec'd cash for petty sales, $21.10. 6. Sold D. E. Bushnell, 4 library chairs, @ $4.50; 1 office desk, $22.50; Rec'd cash, $20,— Bal. on %. 7. Bo't of Pacific Mf'g Co., on %, 24 wash-stands, @ $4; 12 rosewood center tables, @ $18. 9. Sold Geo. S. Wells, on %, 1 mahogany sofa, $30. 10. Rec'd cash, on %, of F. M. Righter, $50. 11. Sold D. T. Bateman, on %, 1 single bedstead, $6; 1 "Sleepy Hollow" chair, $10. 12. Sold Cornelia Walker, on note at 30 ds., 1 easy rocker, $16; 1 library bookcase, $40; 3 parlor chairs, @ $6. 13. Paid cash for incidentals, $10.25. 15. Discounted Wells's note of Jan. 25th, at Bank of San Jose, and received a draft on San Francisco for $145. Sent the draft to Pacific Mf'g Co., to be credited on our acc't. 16. Paid $75 for rent. 17. Rec'd cash, on %, of F. M. Righter, $25. 18. Sold H. B. Norton, on %, 1 piano stool, $8; 8 dining chairs, @ $1.75. 19. Rec'd $20 of Cornelia Walker, to be credited on her note. 20. Took an inventory and find Mdse. on hand, $1810.20.

NOTE.—The Notes mentioned in this Set are in the Bill Book on pages 22 and 23.

DAY BOOK.

(Accounts are posted directly from Sales Book and Invoice Book.)

SET 2.] *SAN JOSE, February 1, 1883.*

28	SAGE & Co.,	*Cr.*		
	Investment, M. B.....			2570
		Dr.		
28	Liabilities. M. B.....			175
		,,		
29	F. M. RIGHTER,	*Dr.*		
	Amt. due the firm			120
		,,		
29	D. T. BATEMAN,	*Cr.*		
	Bal. due him.....			75
		10.		
29	F. M. RIGHTER,	*Cr.*		
	Cash, on a/c			50
		15.		
29	PACIFIC MF'G Co.,	*Dr.*		
	Draft.....			145
		17.		
29	F. M. RIGHTER,	*Cr.*		
	Cash, on a/c			25
				3160

INVOICE BOOK.

SET 2.] *SAN JOSE, February 2, 1883.*

C. B.	L.				
		PACIFIC MF'G Co.,	San Francisco.		
		10 Hair Mattresses,	@ $12.....	120	
		20 Cane Bottom Chairs,	2.10.....	42	162
30		Cash.			
		7.			
	29	PACIFIC MF'G Co..	San Francisco.		
		24 Wash-stands,	@ $ 4.....	96	
		12 Rosewood Center Tables,	18.....	216	312
		On a/c.			
					474

SALES BOOK.

SET 2.] *SAN JOSE, February 1, 1883.*

C. B.	L.					
	29	H. B. NORTON, Wright's Station.				
		1 Extension Dining Table		18		
		6 Gothic Chairs, @ $3.50		21		39
		On a/c.				
		6.				
	29	D. E. BUSHNELL, San Jose.				
		4 Library Chairs, @ $4.50		18		
		1 Office Desk		22	50	40 50
30	29	Rec'd Cash, on a/c, $20.				
		9.				
	29	GEO. S. WELLS, Mt. View.				
		1 Mahogany Sofa				30
		On a/c.				
		11.				
	29	D. T. BATEMAN, Dixon.				
		1 Single Bedstead		6		
		1 "Sleepy Hollow" Chair		10		16
		On a/c.				
		12.				
	B. B.	CORNELIA WALKER, San Jose.				
		1 Easy Rocker		16		
		1 Library Book-case		40		
		3 Parlor Chairs, @ $6		18		74
		Note at 30 ds.				
		18.				
	29	H. B. NORTON, Wright's Station.				
		1 Piano Stool		8		
		8 Dining Chairs, @ $1.75		14		22
		On a/c.				
						221 50

LEDGER.

SET 2.] *SAGE & CO.*

1883						1883					
Feb.	1	To Liabilities	27	175		Feb.	1	By Invt.	27	2570	
	20	Net Loss		23	95						
	"	*Bal.* (*Present Net Cap.*)		*2371*	*05*						
				2570						2570	

LEDGER.

F. M. RIGHTER.

1883						1883					
Feb.	1	To Bal. due.....	27	120		Feb.	10	By Cash.....	27	50	
							17	"	27	25	
							20	*Balance*.....		*45*	
				120						120	

D. T. BATEMAN.

1883						1883					
Feb.	11	To Mdse.....	S B 28	16		Feb.	1	By Bal. due.....	27	75	
	20	*Balance*.....		*59*							
				75						75	

PACIFIC MF'G CO.

1883						1883					
Feb.	15	To Draft.....	27	145		Feb.	7	By Mdse.....	I B 27	312	
	20	*Balance*.....		*167*							
				312						312	

H. B. NORTON.

1883						1883					
Feb.	1	To Mdse.....	S B 28	39		*Feb.*	*20*	*By Balance*.....		*61*	
	18	"	S B 28	22							
				61						61	

D. E. BUSHNELL.

1883						1883					
Feb.	6	To Mdse.....	S B 28	40	50	Feb.	6	By Cash.....	S B 28	20	
							20	*Balance*.....		*20*	*50*

GEO. S. WELLS.

1883						1883					
Feb.	9	To Mdse.....	S B 28	30		*Feb.*	*20*	*By Balance*.....		*30*	
				30						30	

SET 2.] CASH BOOK.

			Dr.		Cr.	
1883						
Feb.	1	Amt. on hand	800			
	2	" paid Pacific Mf'g Co.			162	
	4	" " for Coal.			12	50
	5	" rec'd for Petty Sales	21	10		
	6	" " from D. E. Bushnell	20			
	10	" " " F. M. Righter	50			
	13	" paid for Incidentals			10	25
	16	" " " Rent of Store			75	
	17	" rec'd from F. M. Righter	25			
	19	" " " Cornelia Walker, on Note	20			
	20	*Balance*			*676*	*35*
			936	10	936	10

SET 2.] STATEMENT.

—— Resources. ——			—— Liabilities. ——		
Personal Accounts (Ledger)	156	50	Personal Accounts (Ledger)	226	
Bills Receivable (B. B.)	54		Bills Payable (B. B.)	100	
Cash (C. B.)	676	35	Sage & Co's *Present Net Cap.*	*2371*	*05*
Mdse. (Inventory)	1810	20			
	2697	05		2697	05

Sage & Co's Net Investment, - $2395
" " Present Net Capital, 2371.05
" " Net Loss, - - 23.95

SET 2.] PROOF-SHEET.

Dr.			Cr.	
175		Sage & Co	2570	
120		F. M. Righter	75	
16		D. T. Bateman	75	
145		Pacific Mf'g Co	312	
61		H. B. Norton		
40	50	D. E. Bushnell	20	
30		Geo. S. Wells		
		Bills Receivable (B. B.)	54	
587	50		3106	

Total Debits, $ 587.50
" Credits, 3106
$3693.50

Total Day B., - - $3160
" Sales B., - - - 221.50
" Invoice B., on acc't, 312
$3693.50

COMMERCIAL TERMS.

Acceptance. The formal receiving of the terms of a draft or bill, by which the acceptor binds himself to pay it when due. It is signified by the acceptor writing across the face of the bill the word "Accepted," and the date, and signing his name. The name of the bill after it has been accepted.

Account Current. A statement in detail of a running account.

Ad Valorem. According to value at the cost, or invoice price.

Advice. Mercantile information.

Appraisement. The act of setting a value upon property.

Auditor. A person appointed to examine accounts.

Average. A medium time for the payment in one sum of several items due at different times, so that neither party shall lose interest. An assessment proportioned upon a vessel or cargo to meet losses at sea.

Balance. To close an account. Difference between the debits and credits.

Balance Sheet. A statement in condensed form showing the condition and progress of business.

Balance of Trade. The difference between the value of the exports and imports of a country.

Bankrupt. One who is unable to pay his debts. An insolvent.

Bill-head. A printed form used by merchants for their bills and rendered accounts.

Bill of Entry. A list of goods entered at the Custom-House.

Capital. The money or property used to carry on a business.

Clearing-House. The place where balance between banks or business houses are adjusted.

Clerical Error. An error in calculation, or other accidental error on books or documents.

Collaterals. Pledges or security for loans of money or other indebtedness.

Consignee. The party to whom goods are sent to be sold.

Consignment. Goods sent or delivered to a consignee, for sale.

Contra. Against; on the other side.

Counter Entry. An entry made to balance one on the opposite side.

Customs. Taxes or revenue duties levied on goods imported.

Days of Grace. The time usually allowed beyond the expressed time for the payment of negotiable paper. This time varies in different countries. Days of Grace are not allowed on the Pacific Coast of the United States, except on sight drafts in Oregon.

Dividend. Gain to be divided among stockholders

Drawee. The person on whom the bill is drawn.

Drawer. The party making the draft, or requesting that the payment be made.

Duty. Customs.

Endorse. To write one's name on the back of a note or bill.

Entry. A record made in an account book.

Exhibit. A transcript of Ledger balances. A written statement of the affairs of a merchant.

Face. The amount for which a note or bill is drawn.

Favor. A term for a letter received. A note is drawn in *favor* of the person to whom it is made payable.

Guarantee. A promise to indemnify against loss.

Gross Weight. The total weight of goods with boxes, bags, or chests in which they are packed.

Hypothecate. To pledge as security.

Import. To bring goods from another country in the transaction of commerce.

Insolvent. Without means to pay one's debts.

Index. An alphabetical table of Ledger accounts.

Installment. The part of an amount to be paid at a particular time.

Jettison or **Jetsam.** Goods thrown overboard to lighten a ship in a storm.

License. A legal permit to do business.

Liquidation. The act of paying or settling indebtedness.

Manifest. A list of the packages of a cargo, with the marks on them, and the name of the person to whom sent.

Maturity. The time when a note or bill falls due.

Maximum Price. The highest price of an article.

Negotiate. To dispose of; to bargain.

Net Proceeds. The amount received from sales after all charges have been deducted.

Notary Public. An officer who attests contracts, or writings of any kind.

Open Account. A running or unsettled account.

Par. Equal. The first or nominal value.

Payee. The person to whom money is paid.

Port of Entry. A harbor where a Custom-House is established for the collection of import duties.

Power of Attorney. A writing which gives one authority to act for another.

Premium. Excess above par. The price paid for insurance Banker's charge for bills.

Pro Rata. A proportional distribution.

Protest. A legal notification that a bill was not accepted when presented, or that a note or bill was not paid when due.

Rebate. Discount. A deduction for prompt payment.

Remittance. Funds sent from one place to another.

Sight. The time when a note or bill is presented for payment.

Solvent. Sound; able to pay.

Specie. Gold, silver, or copper coin used as a circulating medium of commerce.

Tare. An allowance for the weight of the box, barrel, etc., which contains the goods.

Voucher. A person or document serving as evidence.

Way-Bill. A document containing a list and description of goods sent by a common carrier by land.

BUSINESS PAPER.

Negotiable Paper is any form of business paper that can be transferred from one person to another for a valuable consideration, either by endorsement or assignment. There are several classes of negotiable paper, the most important of which, are Bills of Exchange, Bank Notes, Promissory Notes, Certificates of Deposit, Checks, Bonds, Bills of Lading, Letters of Credit, and Due-Bills.

Non-negotiable Paper is that which is made payable to a person therein named, without authority to transfer to a third party.

Negotiability. *Bearer* or *order* are the words usually used to express negotiability, but any words in a legal instrument by which it can be inferred that it is intended to be negotiable will make it transferable. When payable to *bearer* the paper may be transferred without endorsement; but when payable to *order* it requires the payee's signature before it can be transferred.

A Promissory Note is a written or printed promise by one party to another, to pay a specified sum of money at a certain time, with or without interest. The *original* parties are called the *maker* and the *payee.*

The Several Kinds of promissory notes are called Individual, Joint, Joint and Several, Chattel, and Bank Notes. In the *individual* note, but one person makes the promise to pay. In the *joint* note, the promise is made *jointly* by two or more persons. In the *joint and several* note, each signer assumes the *whole* responsibility.

BUSINESS FORMS.

NOTES.

1. INDIVIDUAL.

$1200\frac{00}{100}$. VALLEJO, May 15, 1883.

Sixty days after date, I promise to pay to C. B. Towle or order, One Thousand Two Hundred Dollars, in U. S. gold coin, value received.

W. T. WALLACE.

2. INDIVIDUAL, WITH INTEREST.

$500\frac{00}{100}$. SUISUN CITY, June 3, 1883.

One year after date, I promise to pay to William Wolf or bearer, Five Hundred Dollars, value received, with interest at the rate of one per cent. per month.

MOSES FRANK.

3. JOINT AND SEVERAL.

$300\frac{00}{100}$. SACRAMENTO, Aug. 8, 1883.

Three years from date, we jointly and severally promise to pay to Henry Edgerton, Three Hundred Dollars, in U. S. gold coin, value received, with interest at seven per cent. per annum.

HENRY MARTIN,
CHARLES JONES.

4. JOINT.

$1000\frac{00}{100}$. SAN JOSE, Sept. 8, 1883.

Ninety days after date, we promise to pay to T. E. Kennedy or order, at the Bank of San Jose, One Thousand Dollars, value received.

C. W. CHILDS,
J. G. KENNEDY.

5. PAYABLE BY INSTALLMENTS.

$2000\frac{00}{100}$. LOS ANGELES, Jan. 5, 1883.

Six months after date, I promise to pay to Widney & Co. or order, at their store in the city of Los Angeles, value received, Two Thousand Dollars, with interest at one per cent. per month, reserving the right to make partial payments, in sums not less than Ten Dollars.

HENRY BLANK.

6. CHATTEL.

SANTA CRUZ, Nov. 15, 1883.

Three months from date, for value received, I promise to pay to George Bennett or order, Four Hundred Dollars, in Redwood Lumber, the same to be delivered as per his order, within the limits of the city of Santa Cruz, and valued at the market rate prevailing at the date of delivery.

CHARLES ALLEN.

BUSINESS FORMS.

7. BLANK PRINTED FORM.

$..... SAN JOSE.....

.....after date,.....promise to pay to

.....or order, the sum of.....

payable in gold coin of the United States, with interest thereon in like gold coin at the rate of.....from date until paid, value received.

.....

NOTE.—All of these notes are negotiable except No. 3. When *interest* is not mentioned, the note will draw interest, at the customary rate, after it is due.

EXCHANGE.

Exchange is a term employed to denote that commercial usage, by which merchants and others avoid the risk and expense of sending money to make payments in distant places, by transmitting Drafts or Bills of Exchange.

A Bill of Exchange, or Draft, is a written order, directed to a person in a distant place, for the payment of a specified sum of money at a specified time. There are two classes of Exchange—*foreign*, and *inland* or *domestic*.

Inland Bills of Exchange are such as are both drawn and paid in the same state or country.

Foreign Bills of Exchange are drawn upon persons living in another state or country. They are usually drawn in *sets* of three, one of which being honored, the others become void. The separate bills are sent by different routes, or at different times, in order to insure a certainty, that at least one shall be received.

8. TIME DRAFT.

125\frac{00}{100}$. MARYSVILLE, Dec. 10, 1883.

Sixty days after date pay to Dudley C. Stone or order, One Hundred and Twenty-five Dollars, value received, and charge to account of

ROBT. STRONG.

To F. A. Campbell,
San Francisco.

9. SIGHT DRAFT.

200\frac{00}{100}$. SAN FRANCISCO, Feb. 12, 1883.

At sight, pay to J. L. Mosher or order, Two Hundred Dollars, value received, and charge to account of

To John Smith
San Jose

ALBERT LEYSER.

10. FOREIGN DRAFT.

Exchange for £500. SAN FRANCISCO, July 5, 1883.

Ten days after sight of this my *first* Bill of Exchange, (second and third of same date and tenor unpaid,) pay to John Adams or order, Five Hundred Pounds Sterling, value received, with or without further advice.

WM. CHIPMAN.

To Peabody & Co.,
Bankers, Liverpool.

NOTE.—In form 8, Robt. Strong is the *drawer*, Dudley C. Stone the *payee*, and F. A. Campbell the *drawee*. Campbell is not a party to this draft until he accepts; which consists in writing across the face of the draft, in red ink, the word *accepted*, and the day of the month and year, placing his signature underneath: *Accepted Dec. 5, 1883. F. A. Campbell.*

DUE-BILL.

A Due-Bill is a written acknowledgment of a debt. It is usually given instead of a note, when a debt is to be paid in a short time.

11.

25\frac{00}{100}$. COLUSA, May 10, 1883.

Due Geo. P. Ahlf or order, ten days from date, Twenty-five Dollars, value received.

JAMES G. BEATY.

12.

40\frac{00}{100}$. SAN JOSE, Aug. 10, 1883.

Due Frank Butts, on demand, Forty Dollars.

JOHN SULLIVAN.

13.

75\frac{00}{100}$. MODESTO, Sept. 15, 1883.

Due to C. P. Evans, Seventy-five Dollars in goods from my store.

FRED A. HAZZARD

BUSINESS FORMS.

BANK CHECKS.

A Check is an order on a Bank to pay money on demand. Checks are usually printed in blank and filled up as they are required. A *certified check* is one that has been presented to a bank and certified, that is, accepted. This is done by the "Teller," who writes across the face "Certified" and his signature.

14.

No. *45.* SAN JOSE, *Aug. 5, 1883.*

THE BANK OF SAN JOSE,

Pay to.....*J. H. Braly,*.....or Bearer,

Two Hundred and Fifty~~~~~~~~~~~~~~~~~~~~.Dollars.

$*250.*$^{00}_{100}$ *Ruth Royce.*

CERTIFICATE OF DEPOSIT.

A Certificate of Deposit is an instrument issued by a bank, and certifies that a person mentioned therein, has deposited a certain sum of money, payable to his order upon the surrender of the certificate, properly endorsed. In nature it is the same as a certified check.

15.

$..... SAN JOSE,.....

COMMERCIAL BANK.

..... has deposited in this Bank

.....Dollars,

payable to the Order of.....

on the return of this Certificate properly endorsed.

No..... .....Cashier.

BUSINESS FORMS.

BILL OF LADING.

A Bill of Lading is an instrument signed by the proper officer of a vessel, acknowledging the receipt of certain packages or quantities of goods, and promising under certain exceptions, to deliver the same "in like good order," at the place directed.

LETTER OF CREDIT.

A Letter of Credit is a letter authorizing credit to a certain amount of money to be given to the bearer.

16. A LETTER OF CREDIT.

San Jose, July 10, 1883.

Messrs. C. H. Strong & Co.,
London, England.

Gentlemen,

We have the pleasure of introducing to you Mr. Henry C. Clayton, who desires us to open a credit with you, for him, for six hundred pounds sterling. You will please honor his drafts to an amount not exceeding in the aggregate the above sum, and charge the same to us.

Very truly,
T. E. Beans.

Signature of
Henry A. Clayton.

ENDORSEMENTS.

Endorsement. Anything written on the back of negotiable paper, having relation to the paper itself, is an endorsement. The endorsement is generally made for the purpose of transferring the right of the holder to some other person.

There are five kinds, called the Blank, Full, Conditional, Qualified, and Restrictive. A *blank endorsement* is made by the holder's simply writing his name on the back of the paper. An *endorsement in full* mentions the name of the person in whose favor it is made. A *conditional endorsement* is one made subject to some condition which must be performed to render the instrument valid. A *qualified endorsement* is one in which the

endorser can qualify or limit his responsibility by the terms of the endorsement. A *restrictive endorsement* is one which restricts the payment to some particular person. As *no particular form of words* is necessary in the construction of negotiable paper, so no particular form is necessary for its endorsement. But custom has established certain forms which are in use among business men. Following are the usual forms of endorsement:

Blank:

G. R. Kleeberger.

In Full:

Pay to J. H. Braly or order.
Eliza B. Barnes.

Qualified, 1st Form:

Pay to J. H. Ellwood or order, without recourse.
M. E. Wilson.

Qualified, 2d Form:

Pay to Mary P. Adams or order.
L. P. Sargent, Agt.

Restrictive:

Pay to Chas. H. Allen only.
I. G. Oakley.

BILLS AND INVOICES.

A Bill is an account rendered in items. There are two kinds: one for services rendered, and the other for goods sold.

17. FOR SERVICES.

San Jose, March 10, 1883.

Eugene C. Cole,

To Elmer Brownell, *Dr.*

For 3 days' Work, Repairing Fence, @ $2.50..... **$7.50.**

BUSINESS FORMS.

18. RECEIPTED BILL.

WALNUT CREEK, Feb. 9, 1883.

GEO. E. LARKEY,

To DANIEL MAHONEY, *Dr.*

For five days' Labor, Trimming Trees, @ $2.....$10.00.

Rec'd Payment,
DANIEL MAHONEY.

19. FOR GOODS SOLD.

YREKA, June 5, 1883.

Mr. GEO. RICE,

Bo't of VANCE & WALBRIDGE.

150 # Granulated Sugar,	@ 13¢.....	19	50			
60 # Dried Peaches,	15¢.....	9			28	50

20. FOR GOODS SOLD.

PLACERVILLE, May 15, 1883,

Miss MOLLIE WALSH,

To ALDERSON & CO., *Dr.*

To 16 # Gingham,	@ 15¢.....	2	40			
" 10 # White Embroidery,	30¢.....	3			5	40
Rec'd payment,						
THOS. ALDERSON.						

21. ITEMS OF AN ACCOUNT.

VISALIA, Aug. 10, 1883.

Messrs. LOW & PARKER,

In Account with JAMES TRIMBLE, *Dr.*

1883							
Jun.	10	To 40 # Broadcloth, @ $3.....	120				
	15	" 50 # Muslin, 8¢.....	4				
July	10	" 60 # Cotton Batting, 12¢.....	7	20	131	20	
		Cr.					
Jun.	12	By 15 # Broadcloth, @ $2.50. (Returned damaged) ..	37	50			
	27	" Cash.....	40		77	50	
		Balance due.....			53	70	
		Rec'd payment,					
		JAMES TRIMBLE,					
		per David Snodgrass.					

BUSINESS FORMS.

22. ACCOUNT OF SALES.

Sales [500 bbls. Flour] on Joint Account of

R. J. SINNOTT and Ourselves, each ½.

1883							
May	15	Sold Henry Petray, on a/c, 60 ds.,					
		300 bbls. Flour, @ $7			2100		
	25	Sold A. R. Sheats, for cash,					
		200 bbls. Flour, @ $6.75			1350		3450
		Charges.					
May	25	Storage and Advertising			25		
		Commission, 2½% on $3,450			86	25	
		Our ½ net gain			169	38	280 63
		R. J. Sinnott's net proceeds					3169 37
		Invoice, 500 bbls. Flour, @ $6	$3,000				
		½ net gain	169.37				
			$3,169.37				
		Due by Equation					
		E. E. San Diego, May 25, 1883.					

ORDERS.

An Order is a written request to deliver money or goods. It is used by the person receiving it as a voucher that the person signing it is responsible, and that the thing or things mentioned have been delivered.

23. ORDER FOR MONEY.

SANTA BARBARA, June 1, 1883.

Mr. A. W. MIZE,

Please pay to John W. Stirling or order, Twenty Dollars, on my account.

L. N. WRISTEN.

24. ORDER FOR GOODS.

EUREKA, July 12, 1883.

Mr. I. S. THOMPSON,

Please deliver to Geo. Duncan, Thirty Dollars in goods from your store, and charge to my account.

JOHN TRIMBLE.

BUSINESS FORMS.

RECEIPTS.

A Receipt is an acknowledgment in writing that a sum of money, or something of value, has been received. The simplest form of a receipt is a signature to an itemized bill. The purpose in exacting a receipt is that it may serve as a voucher in case of a dispute as to what has occurred. As a simple evidence of the payment of money at a particular time, a bank check drawn to the order of the payee is the best.

25. MONEY ON ACCOUNT.

$100.

Received, San Jose, Oct. 1, 1883, of Frederick Baily, One Hundred Dollars on account.

JOHN RAKER.

26. IN FULL OF ALL DEMANDS.

75\frac{50}{100}$. COLUSA, March 25, 1883.

Received of W. H. Summer, Seventy-five and $\frac{50}{100}$ Dollars, in full of all demands to date.

M. A. ROUSE.

27. FOR ADVANCE ON CONTRACT.

$80. SANTA CLARA, May 30, 1883.

Received of Arthur Knox, as an advance on contract for furnishing 200 cords of Live Oak Wood, Eighty Dollars.

GEORGE EDGAR.

28. FOR RENT.

$60. SAN JOSE, May 1, 1883.

Received of Carl H. Allen, Sixty Dollars, in full for one quarter's rent of House No. 1524 Seventh Street, due this day.

F. G. TYRRELL.

29. TO SERVE AS AN ENDORSEMENT.

Received, July 8th, 1883, on the within note, Fifty Dollars.

WM. E. BACON.

30. TO APPLY TO CONTRACT.

Received, San Jose, May 9, 1883, of F. P. West, One Hundred and Forty Dollars, the same to apply to contract for building house, dated April 1, 1883.

J. R. SAUNDERS.

BUSINESS FORMS.

BILL OF SALE.

31. SHORT FORM.

LAKEPORT, Aug. 10, 1883.

I hereby acknowledge the sale of (here insert a description of the property), to Charles P. Adams of San Jose, Cal.

PETER A. AMES.

ARTICLES OF AGREEMENT.

An Agreement is virtually a contract, by which a certain person or persons, agree to perform certain duties within a specified time.

Agreements should show that they are made for a reasonable consideration, else they are void in law.

Copies of an agreement should always be prepared in duplicate, and each party to the agreement should retain a copy.

32. GENERAL FORM.

This Agreement, made the first day of May, 1883, between Chas. C. Adams, of Galt, County of Sacramento, State of California, of the first part, and F. A. Butts, of Pacheco, County of Contra Costa, State of California, of the second part,

Witnesseth, that the said Chas. C. Adams, in consideration of the agreement of the party of the second part, hereinafter contained, contracts, and agrees with the said F. A. Butts, to (here insert specification of agreement).

And the said F. A. Butts, in consideration of the prompt fulfillment of this contract, by the party of the first part, contracts, and agrees with the said Chas. C. Adams, to pay (here insert amount).

In case of failure of agreement by either of the parties hereto, it is hereby stipulated and agreed that the party so failing shall pay to the other (here insert amount), as fixed and settled damages.

In witness whereof, we have hereunto set our hands, the day and year first above written.

CHAS. C. ADAMS.
F. A. BUTTS.

BUSINESS FORMS.

LANDLORD AND TENANT.

A Landlord is a person who leases real estate to another. The person who holds a lease is known as a tenant, and in law he is called the lessee. The person giving the lease—the landlord—is called the lessor. No particular form of wording a lease is necessary.

It is essential that the lease state *all* the conditions, as additional verbal promises avail nothing in law. It is held, generally, that a written instrument contains the details, and states the bargain entire, as the contracting parties intended.

33. A LEASE.

This Instrument, made the first day of June, 1883, Witnesseth, that Geo. W. Koch, of San Juan, County of San Benito, State of Cal., has rented from A. L. Talbot, of San Juan aforesaid, the dwelling and lot No. 320 Broadway, situated in said town of San Juan, for three years from the above date, at a yearly rental of Two Hundred and Forty Dollars, payable monthly, on the first day of each month.

At the expiration of said above mentioned term, the said Geo. W. Koch agrees to give the said A. L. Talbot peaceable possession of the said dwelling, in as good condition as when taken, ordinary wear and casualties excepted.

In witness whereof, we place hereunto our hands and seals, the day and year aforesaid.

GEO. W. KOCH. [L. S.]
A. L. TALBOT. [L. S.]

BUSINESS LETTERS.

Business Letters should be clear and concise. No more words should be used than are necessary to state the business fairly; nor should words essential to the construction be omitted. Avoid interlineations and erasures; these indicate a lack of interest in and attention to the subject, and greatly disfigure the letter.

The teacher should use the blackboard to develop the different parts of a letter.

BUSINESS FORMS.

34. INCLOSING SUBSCRIPTION.

San Luis Obispo, Cal., May 9, 1883.

To the Publisher of the "Pacific School Journal,"
San Francisco.

Dear Sir:—For the inclosed Two Dollars, please send "The Pacific School Journal" for one year, beginning with the first number of the present volume.

Respectfully,
May E. Jepson.

35. APPLICATION FOR A SITUATION.

Monterey, Cal., Oct. 10, 1883.

H. A. Morse,
Co. Supt. of Schools, Yreka.

Dear Sir:—Having learned that there is a vacancy in the Grammar School of your city, I offer myself as a candidate for the position.

I graduated at the State Normal School in San Jose, in 1880, and ever since have devoted myself to the work of teaching.

I have testimonials from the Trustees of several schools; and am also permitted to refer to the Rev. John Smith and Prof. James King, of this city.

Should a personal interview be desired, I shall be glad to see you when it may be most convenient to yourself.

Yours, truly,
Annie E. Johnson.

36. INTRODUCTION.

Shasta, Jan. 1, 1883.

Messrs. A. L. Bancroft & Co.,
San Francisco.

Gentlemen:

This will introduce to you my friend, Mr. Hamilton Fisher, who visits your city for the purpose of purchasing goods. Mr. Fisher has a good paying business in this city; in fact, is one of our "solid men." Any favors you may show him in regard to introducing him to houses not in your line, will be highly appreciated by Mr. Fisher, and by

Yours, very truly,
Levi F. Herrod.

37. STATEMENT OF ACCOUNT.

SUISUN CITY, Oct. 9. 1883.

LESLIE CHRYSLER,
Sacramento.

Dear Sir:—Inclosed please find our usual monthly statement of account. If you find it correct, we shall be glad to receive an early remittance.

Please let us have the amount, if you can, by the 15th, and oblige

Yours truly,
M. DINKELSPEIL & SONS.

38. INCLOSING REMITTANCE.

SACRAMENTO, Oct. 12, 1883.

M. DINKELSPEIL & SONS,
Suisun City.

Gentlemen:

I herewith inclose a Draft for Eighty Dollars, in settlement of account as per statement received.

Please acknowledge receipt, and oblige

Yours truly,
LESLIE CHRYSLER.

39. ORDER FOR GOODS.

BENICIA, May 12, 1883.

Messrs. BANCROFT & Co.,
San Francisco.

Gentlemen:

Please send me per express, as early as possible:

2 doz. Milne's Practical Arithmetic.
3 " Harper's School Geography.
5 " Essentials of Book-keeping.

Yours truly,
L. WINMANN.

40. RECOMMENDATION.

LOS GATOS, Nov. 10, 1883.

To Whom It May Concern:

It affords me pleasure to testify to the personal worth and educational qualifications of Miss Julia Harrington. She has

taught successfully in several schools; by her aptness in teaching, and tact in enforcing discipline, she has made a reputation as an earnest and progressive teacher.

I cordially recommend her to any Board of School Trustees.

Respectfully,

SILAS WRIGHT.

41. NOTICE OF SHIPMENT OF MERCHANDISE.

SAN JOSE, Aug. 6, 1883.

Messrs. SCOTT & WILLIAMS,
San Francisco.

Gentlemen:

According to your order, I have sent you to-day, per S. P. R. R.:

100 boxes Foster Peaches.
50 sacks Early Rose Potatoes.

Trusting that these will prove satisfactory and bring a good price, I am,

Respectfully yours,
HENRY AMIDON.

QUESTIONS FOR REVIEWS.

Business Forms. 1. What is negotiable paper? 2. How may it be transferred? 3. How many kinds are there? 4. What is a promissory note? 5. Who are the original parties? 6. Mention the different kinds of promissory notes. 7. Explain the difference between an individual and joint, or a joint and several note. 8. Are the words "value received" necessary in a note? 9. What are "days of grace?" 10. What is honoring a note? 11. What is it to discount a note? 12. What is an indorsement? 13. For what purpose is it made? 14. What is the effect of indorsing a note? 15. How many kinds of indorsement are there? 16. Name and define them. 17. What is interest? 18. How is the price paid for the use of money regulated? 19. What is usury? 20. What is the prevalent opinion in regard to usury laws? 21. If interest is

not mentioned in a note, can interest be collected? 22. What is a bill of exchange? 23. How many kinds? 24. Define foreign and inland bills. 25. In how many ways can you pay a debt in a distant part of the State without sending coin or bank notes? 26. What is the difference between a bill of exchange and a draft? 27. What is an "acceptance"? 28. Why and how is it made? 29. Name the parties to a bill of exchange. 30. What are the benefits of drafts or bills of exchange? 31. What words express negotiability in a business paper? 32. What is a bank check? 33. What is the person who signs a check called? 34. Why are checks usually drawn to the order of a person? 35. When can payment of a check be countermanded? 36. When must a check be presented for payment? 37. Why? 38. What is a certified check? 39. What is a due-bill? 40. Why is it given instead of a note? 41. What is a certificate of deposit? 42. What is a bill of lading? 43. What is a letter of credit? 44. What is an order? 45. What is a receipt? 46. Of what is a receipt evidence? 47. For what are receipts usually given? 48. What is a bill? 49. How many kinds? 50. Who makes out a bill when goods are sold, and for whose benefit? 51. What are the benefits of having a bill? 52. What is an invoice? 53. What are some of the characteristics of a business letter? 54. What should be the style of writing? 55. How and why do business men keep copies of the letters they send away?

Write out these Business Papers. 1. Gave my note, at three months, to (use names of students in these exercises), for $350; interest at 7%. 2. Two students gave a "joint and several" note to ..... for $240; time, two years from date. 3. A student gave a chattel note to ....., promising to deliver $300 worth of hay at the market price, three months from date. 4. Write a note, payable 6 months from date, in U. S. gold coin, at Commercial Bank, San Jose; interest, 1½% per month. 5. Draw a draft at 30 days' sight, on ....., of New York, in favor of ..... for $350. 6. Write a draft upon yourself and accept it, with name of ....., residing at ....., as drawer, favor of ..... for $275.50. 7. Remitted

to John Oxford, in London, a set of bills of exchange for £560, on Smith & Rider, at 30 days' sight. 8. Borrowed of ....., forty dollars, for which I gave my due-bill, payable in 10 days. 9. ..... owes me fifty dollars, and I have taken his due-bill, payable in goods from his store, on demand. 10. Draw your check on San Jose Bank, for $100, in favor of ....., or order. 11. Write a letter of credit, asking ..... of Paris, to honor the drafts of your friend ....., to the amount of 1500 francs. 12. Give an order to ....., on ....., for flour from his store, to the value of $30. 13. Give ..... an order on ....., for $40 in cash. 14. Pay a debt due ....., by giving him an order in his favor, on ....., for $120.50. 15. Write a receipt for $20, received from ....., for one month's rent. 16. Give ..... a receipt for $75, paid on acc't. 17. Give a receipt to ....., for books and papers, which he, as a county officer, has turned over to you, his successor. 18. Sold ..... on %, 10 yds. blk. silk, @ $2.25; 5 yds. broadcloth, @ $3; 3 doz. buttons, @ 40¢; 2½ yds. silk serge, @ $1.75 (make out the bill). 19. Worked 6½ days for ....., repairing fence, @ $2.50 per day (make out the bill). 20. Give a receipted bill for the following: Sold ..... for cash, 5 gals. N. O. molasses, @ 80¢; 10 lbs. coffee, @ 20¢; 3 lbs. tea, @ 75¢. 21. Write a letter to a merchant in New York, ordering a bill of Mdse.; state how the goods are to be sent, and the manner in which payment will be made. 22. Write a letter inclosing statement of acc't, with request for payment. 23. Write a letter to ....., inclosing a subscription for one year; specify when to commence, etc. 24. Write letters of recommendation, introduction, etc.

GENERAL REVIEW QUESTIONS.

1. Define book-keeping. 2. Name the different systems of book-keeping. 3. What is single entry book-keeping? 4. What is an account? 5. What is a personal account? 6. Define an entry; an original entry. 7. What is meant by the term "debtor"? 8. What is meant by the term "creditor"? 9. In an account, how are the entries placed? 10. What

the balance of an account, and how is it found? 11. What is a transaction? 12. What does the debit side of an account show; the credit side? 13. When do you debit and when do you credit a person? 14. Define principal and auxiliary books. 15. Name the auxiliary books. 16. What is a "set of books"? 17. What is meant by "opening a set of books"? 18. State the use of the various books used in book-keeping. 19. Why may Dr. and Cr., To and By, be omitted from the Ledger? 20. What is the meaning of the figures in the margin of Sales Book and Invoice Book, pages 27 and 28? 21. What are footing lines? 22. What are closing lines? 23. What are resources? 24. What are liabilities? 25. What is meant by the term "merchandise"? 26. What is an invoice? 27. What is an inventory? 28. Define bills payable and bills receivable. 29. What is posting? 30. In posting, why is the page of each book written in the other? 31. When is posting done in actual business? 32. When, how, and why is the check mark [✓] used? 33. What is a statement, or balance sheet? 34. When and why is a balance sheet made out? 35. What is meant by "net capital"? 36. How do you find the net capital at commencing; at closing? 37. How do you find the net gain or loss in single entry book-keeping? 38. In opening a set of books what entry do you make for the proprietor? 39. What entry is made in the Bill Book when a partial payment is made on a note? 40. When and why is a Bill Book kept? 41. When a full set of books is kept, and you post only from the Day Book, what entries are made in the Day Book? 42. When you post from the C. B., S. B., and I. B. directly to the Ledger, what entries are made in the Day Book? 43. Why are erasures not allowable in the Day Book? 44. Mention a transaction which requires an entry in both Day and Cash Books. 45. How may an error be corrected in the Day Book, and in the Ledger? 46. How often are accounts closed in the Ledger? 47. How can you test the accuracy of the Ledger before closing? 48. When is a note entered in the Day Book? 49. What books may be combined and used as one book?

The following questions may be asked at the close of each set: 1. In what way can you ascertain that you have posted

GENERAL REVIEW QUESTIONS.

all the accounts? 2. What was your net capital at commencing; at closing? 3. What was the amount of cash on hand at starting; at closing? 4. Where found? 5. Mention the Ledger accounts which have balances due you. 6. What are these balances called? 7. Mention the Ledger accounts having balances that you owe. 8. What are these balances called? 9. How do you make a balance sheet, and why? 10. What will your Bill Book show? 11. Your Invoice Book? 12. Your Sales Book? 13. How do you find the loss or gain? 14. What is to be done with bad debts in making the balance sheet?

In the following "sets" when the manner of the sale is not stated "on %" is understood. Notes in which time is omitted may be considered as due in one year.

EXERCISES FOR THE STUDENT.

After the completion of the first three or four of the following sets, the Invoice and the Sales Book are to be kept in addition to the Day Book, Cash Book, Bill Book, and Ledger. It is often advisable to substitute the names of students for those given in the memoranda.—Require students to prepare "business papers" as indicated in the first and second sets.

Set 1. Vallejo, July 1, 1883. Wm. Megarry commenced business with *cash*, $1200; *merchandise*, $1800; an *acc't* against Wm. Crowhurst, of $106.50.

July 2. Bo't of J. Brooks, for cash, invoice of Mdse., $480. 3. Sold H. D. Richardson, on %, 1 cheese, 28 #, @ 20¢; 4 # raisins, @ 25¢ (make out the bill). 4. Sold James Graham, on %, 5 # molasses, @ 70¢; 600 # flour, @ $1.75 per C.; and bo't of him 25 water-melons, @ 15¢. 5. Paid cash for drayage, $5.50. 6. Cash sales to date, $89.80. 8. Sold H. D. Richardson, bill of Mdse., $48.40, and received cash, $20. 9. Bo't of Amos C. Keene, on %, bill of Mdse., $180. 10. Rec'd cash, on %, of Wm. Crowhurst, $50. 11. Gave Amos C. Keene, an order on Wm. Crowhurst for $20 (write the order). 12. Cash sales from 6th inst. to date, $63. 14. Sold Amos C. Keene, on %, 500 # bacon, @ 18¢; 200 # rice, @ 6¼¢. 15. Henry Allen has worked for us 8½ days, picking fruit, @ $2.50; he has rendered

his bill and we have credited him with the amt. (write the bill). 16. Wm. Crowhurst has paid cash in full to balance his acc't (write the receipt). 17. Debit our clerk, John Eastman, with 3 # tea, @ 50¢; 250 # flour, $7.75; 1 ham, $2.25. 18. Sold James Graham, bill of Mdse., $43.80; and received of him 13 # eggs, @ 28¢; 120 # peaches, @ 3¢. 20. Cash sales from 12th inst. to date, $56.90. 21. Sold Chas. Fogg, on a/c, bill of Mdse., $27.60. 22. Debit our clerk with 80 # sugar, @ 13¢. 23. Paid Amos C. Keene cash, on a/c, $25. 24. Sold H. D. Richardson, on a/c, 70 # dried peaches, @ 15¢. Bo't of Brooks & Co., for cash, invoice of Mdse., $120. 26. Sold Henry Allen, on a/c, 30 # bacon, @ 16¢. 27. Sold Albert Knorp, on a/c, 2½ tons of bran, @ $8; 200 # potatoes, @ 1½¢. 28. Sold Henry Allen, on a/c, bill of Mdse., $18.60; 30. Cash sales from 20th inst. to date, $68.40. Credit our clerk with one month's salary, $75. Took an inventory and found Mdse. on hand, $2360.

Set 2. Eureka, Sept. 1, 1883. *Student* commenced business with resources as follows: *cash*, $825; *Mdse.*, as per inventory, $1400; *tools*, etc., $250. He owes Philip Prior, *on* a/c, $325.

Sept. 2. Sold C. R. Pinkerton, on a/c, 5,000 # pine boards, @ $18 per M.; 10,000 shingles, @ $2.75 per M.; 2,000 rough pickets, @ $20 per M. 3. Bo't of Smith & Co., for cash, invoice of lumber, $520. 4. Sold S. A. Reddy, on a/c, 6,000 # redwood—rough, @ $18 per M.; 1,500 # redwood studding, @ $22 per M. 5. Sold Amos Dean, 1,850 # flooring—Oregon pine, @ $38 per M.; 1,600 # No. 1 rustic, @ 35 per M.; rec'd cash, $20. 6. Sold David Pratt, on note at 30 ds., bill of lumber, $160 (write the note). 7. Rec'd cash, on a/c, of S. A. Reddy, $60. 8. Paid cash for wagon, $120. 9. Sold J. L. Randall, on a/c, 10,000 # redwood—surfaced, @ $32 per M.; 2,500 # shakes, @ $10.50 per M. 11. Gave Philip Prior an order on C. R. Pinkerton for $75 (write the order). 12. Debit our clerk, Peter Careful, with cash, $20. 13. Sold Wm. Ogden, on a/c, 25,000 # battens, @ $40 per M.; 800 redwood posts, @ $13 per C. 14. Rec'd cash of C. R. Pinkerton, to balance account (write the receipt). 15. Paid Philip Prior cash, on a/c, $100. 16. Rec'd of Amos Dean his note, due in six months, interest at 10 % per

annum, to balance account. 18. Sold T. R. Crawford, on %, 2,000 ℔ pine scantling, 4x4, @ $30 per M. 19. Rec'd of David Pratt, cash, $40, in part payment of his note of the 6th inst. (make the proper endorsement on the note). 20. Credit our clerk for labor, $20. 21. Sold William Ogden, on %, 15,000 laths, @ $3.50 per M.; 1,800 feet rustic, @ $28 per M. 22. Paid cash for drayage, $10.50. 23. Rec'd an order from Philip Prior, requesting us to let Calvin Owen have $25 in Mdse. (write the order). 24. Sold T. R. Crawford, on %, a bill of lumber, $76.80. 25. Took an inventory, and found Mdse. on hand, $390; tools, fixtures, etc., $300; amt. due on notes, $....; cash, $.....

Set 3. Petaluma, May 5, 1883. Wm. Bacon commenced business with *cash*, $300; *Mdse.*, $500.

Bo't of Buckingham & Hecht, for cash, 80 ℔ sole leather, @ 45¢; 24 prs. carpet slippers, @ 90¢. Sold Fred Williams, on %, 1 pr. calf boots, $8; 1 pr. carpet slippers, $1.25. Cash received for sales, $12.50. 6. Paid Buckingham & Hecht cash, for invoice of goods, $67.50. Sold Geo. Titus, on %, 2 pr. boys' boots, @ $2.50; 1 pr. slippers, $1.75. Sold Geo. Pease, on %, 1 pr. ladies' glove-kid boots, $4.75. Cash sales to day, $16.25. 7. Bo't of Fred Williams, on %, 1 bottle Vinegar Bitters, $1; 4 bars soap, @ 15¢. Cash sales, $10. 8. Sold Francis Fowler, on %, 1 pr. rubber boots, $4; 1 pr. boys' boots, $3. Debited Wm. Sprowl, $1.37, for mending boots. Paid cash for freight, $3.50. Cash sales, $17. 9. Repaired boots for Geo. Titus and charged him 75¢ on %. Bo't of him, on %, 30 ℔ butter @ 25¢; 6 ℔ eggs, @ 30¢. Cash sales, $13.50. 10. Sold S. T. Bennett, on %, 1 pr. boots, $6; 2 pr. boys' boots, @ $5; 2 pr. ladies' serge boots, @ $6. Mended boots for Geo. Pease and charged him, on %, $1.50. Paid cash for street sprinkling, $1.50. Cash sales, $25. 12. Bo't of Joseph Hanson, on %, 1 bbl. flour, $5.75. Paid Mrs. Trusty cash for cleaning store, $3.75. Cash sales, $11.50. 13. Bo't of Fred Williams, on %, 3 ℔ vinegar, @ 60¢; 5 ℔ cider, @ 40¢. Sold Geo. Titus, on %, 1 pr. brogans, $2. Sold Francis Fowler, on %, 1 pr. slippers, $1. Debited Wm. Sprowl 75¢ for mending shoes. Geo. Pease paid us cash, on %, $5. Cash sales, $15.75. 14. Cash sales to-day, $18.50.

EXERCISES FOR THE STUDENT.

15. Cash sales to-day. $23. 16. Sold Joseph Hanson, on ℅, 1 pr. rubbers, 85¢; 1 pr. ladies' bronze kid boots, $9; 1 pr. slippers, $1.25. Bo't of Geo. Titus, on ℅, 180 ℔ potatoes, @ 1½¢; 25 ℔ veal, @ 10¢. Sold Fred Williams, on ℅, 1 pr. rubbers, $1. Paid cash for stock, $45.50. Cash sales, $20.75. 17. Sold Wm. Sprowl, on ℅, 1 pr. children's copper-toed shoes, $1.25; 1 pr. boys' boots, $3.25; 1 pr. ladies' congress boots, $2.75; 1 pr. brogans, $2. Francis Fowler paid us cash to balance his account, $..... Cash sales, $29.75. 19. Sold Geo. Pease, on ℅, 1 pr. kip boots. $7.50. Sold S. T. Bennett, on ℅, 3 pr. children's rubbers, @ 65¢; 1 pr. ladies' rubbers, 75¢. Paid cash for sawing wood, $3.25. Cash sales, $14.75. 20. Sold Fred Williams, on ℅, 1 pr. congress gaiters, $3.25. Sold Geo. Titus, on ℅, 2 pr. boys' boots, @ $3.50. Bo't of him 5 chickens, @ 50¢. Sold Francis Fowler, on ℅, 1 pr. children's bronze kid boots, $2.75. Paid cash for sundries, $2.40. Cash sales, $17.50. 21. Cash sales to-day, $21.50. 22. Bo't of Joseph Hanson, on ℅, 30 ℔ gran. sugar, @ 13¢; 5 ℔ coffee, @ 30¢. Sold S. T. Bennett, on ℅, 1 shawl strap, 75¢. Wm. Sprowl paid cash, on ℅, $5. Cash sales, $25.75. 23. Bo't of Fred Williams, on ℅, ¼ ream of paper, 75¢. Sold Francis Fowler, on ℅, 1 pr. children's rubbers, 65¢. Rec'd of S. T. Bennett cash, on ℅, $20. Cash sales, $19.25. 24. Sold Joseph Hanson, on ℅, 1 pr. calf boots, $8. Sold Geo. Pease 1 pr. cloth gaiters, $3.25. Paid cash for stock, $19.30. Geo. Pease paid cash, on ℅, $10. Cash sales, $27. 26. Soled 1 pr. boots for Fred Williams and charged him, on ℅, $1.50. Paid cash for horse hire, $3.25. Cash sales, $16.50. 27. Bo't of Geo. Titus, on ℅, 100 ℔ beets, $1.50; 20 ℔ beans, $1; 5 ℔ eggs, $1.50. Sold Joseph Hanson, on ℅, 1 pr. ladies' serge boots, $3.25. Cash sales, $19. 28. Cash sales, $21. 29. Fred Williams paid cash, on ℅, $10. Cash sales, $23.75. 30. Bo't of Joseph Hanson, on ℅, 20 ℔ lard, @ 15¢; 1 box raisins, $1.25; 2 ℔ tea, $1.25. Wm. Sprowl has paid cash to balance account, $.... Paid clerk's salary, $30. Cash sales, $15.75. Took an inventory and found Mdse. on hand, $250.

Set 4. San Jose, July 1, 1883. Martin H. Lawson commenced business this day with the following assets and liabilities:

cash, $1500; *Mdse.*, as per inventory, $5000; *note* of Carl Allen, dated June 1, 1883, at 3 months, for $500, and a *note* of D. T. Mahoney, for $275, dated June 10, at 60 days. He owes E. C. Rodwick, $125 on *a/c*; and D. S. Snodgrass holds his *note* for $200, dated May 1, at 4 months.

July 2. Sold Frank A. Butts, on *a/c*, 6 firkins butter, 480 #, @ 22¢; 40 tin pails, @ 45¢; 2,000 broom handles, @ 50¢ per C. 3. Paid cash for scales and measures, $12. Sold Blanche Krahl, on *a/c*, 200 # sugar, @ 12½¢, 150 # salt, @ 1½¢. 4. Sold W. S. Bailey, on note at 30 days, 50 sacks Liverpool salt, @ $4.25. Rec'd cash for petty sales, $36.80. 5. Rec'd of Carl Allen a check on Bank of San Jose for $100, part payment of his note of 1st inst. 6. Discounted our note, favor of D. S. Snodgrass, paying him $190 for same. Frank A. Butts returned 1 firkin of butter, 80 #, bo't of us on the 2d inst. 8. Sold F. H. Ottmer, on *a/c*, 50 hlf. boxes raisins, @ $1.50; 25 boxes Los Angeles lemons, @ $2.25. Rec'd cash, on *a/c*, of Blanche Krahl, $10. 9. Paid cash for church subscription, $10. Sold L. A. Lehnig, 275 # rice, @ 6¼¢; 40 # Eastern ham, @ 16½¢; 500 # flour, @ $3.25 per C.; rec'd in exchange, 15 # eggs, @ 30¢; balance on *a/c*. 10. Paid cash for street sprinkling, $2.50. 11. Rec'd cash for petty sales, $40. Sold W. S. Bailey, on *a/c*, 5 # kerosene, @ 40¢; 10 cans apricots, @ 25¢; 10 # coffee, @ 16¢; 5 # tea, @ 60¢. 12. Bo't of Lake & Co., on *a/c*, 800 # rice, @ 6¢; 100 # lard, @ 15¢; 80 # tobacco, @ 40¢. Rec'd cash on *a/c* of Frank A. Butts, $75. Paid cash for drayage, $4.50. 13. Gave our clerk, George Hothersall, an order on F. H. Ottmer for $25 in Mdse. 14. Loaned John Curtis, $40. Discounted note of D. T. Mahoney of the 1st inst., at Commercial Bank, and received $265. Bo't of Hal Needham, on *a/c*, 50 # stove wood, @ $6. 15. Bo't of Frank A. Butts, on *a/c*, 25 turkeys, @ $1.10. 16. Martin H. Lawson drew out $50 cash, for personal use. 17. Paid E. C. Rodwick cash, on *a/c*, $60. 18. Sold Leon Taylor, 500 # Lima beans, @ 4¢; 60 centals seed wheat, @ $1.60; 40 centals barley, @ $1.40; rec'd his note for $100 at 30 days, balance on *a/c*. 19. Burglars broke into the store and took $100 in cash. Rec'd an order from E. C. Rodwick requesting us to pay John Utter $25 in

Mdse. 20. Sold L. A. Lehnig, on ℅, 200 # salt pork, @ 18¢; 400 # dried prunes, @ 14¢. 21. Sold Henry Doubtful, on ℅, 75 centals barley, @ $1.45. 22. Sold Peter Slowboy, on ℅, 1,100 # sugar, @ 13¢; 180 # bacon, @ 20¢. 23. Sold Leon Taylor, on ℅, 125 # dried peaches, @ 16¢. 24. Sold Blanche Krahl, on ℅, 1 cask pickles, 80 #, @ 10¢. 25. Bo't of L. A. Lehnig, on ℅, 25 # wood, @ $6. Sold Frank A. Butts 40 boxes cigars, @ $1.25; rec'd cash, $20, balance on ℅. Paid Lake & Co. cash, on ℅, $60. 26. Peter Slowboy has failed, and we have rec'd from him, cash, 25¢ on the dollar for amt. due us. Credit our clerk, Geo. Hothersall, with salary for one month, $75. 27. Rec'd cash for petty sales, $48.60. 28. Henry Doubtful has left the State, and we have lost the amount due us. 29. Took an inventory and found Mdse. on hand, $4960; notes, $....; cash, $....

Set 5. In this set keep the account with the bank either in the Cash Book, or, if you prefer, in the Ledger.

Oakland, Oct. 1, 1883. G. W. Congdon commenced business with *cash*, $1100; *Mdse.*, $1000; and an *account* against Kate Montgomery of $65. He owes Field & Co., *on* ℅, $120.

Put $800 in Bank of San Jose. 2. Bo't of N. Murray & Co., for cash, 1 bolt Merrimack prints, 120 #, @ 10¢; 60 prs. kid gaiters, @ $2.50. Sold Frank Graham, on ℅, 1 pr. calf boots, $7.50; 10 boxes paper collars, @ 20¢. Sold Mary Harriman, 16 # English prints, @ 22¢; 1 pr. kid gloves, $1.75; 1 pr. kid gaiters, $3.25; rec'd cash, $5, balance on ℅. Cash sales, to-day, $21.60. 3. Sold Fred Cauch, on ℅, 8 # English tweed, @ $1.75; 24 # Lynn cottons, @ 12½¢. Paid Field & Co., on ℅, $50, by check on Bank of San Jose. Cash sales, $31.25. 4. Sold Mary Harriman, on ℅, 20 # fancy linens, @ 25¢; 1 silk scarf, $1.25. Put $80 in Bank of San Jose. Sold Frank Graham, on ℅, 40 # canvas, @ 20¢; 1 trunk, $5.50; 1 pr. gum boots, $4.50. Bo't of Field & Co., by check on Bank of San Jose, 10 pieces fancy cassimeres, 220 #, @ 80¢. Cash sales to-day, $40. 5. Sold Fred Cauch, on ℅, 1 doz. handkerchiefs, $2.25. John Ames has worked for us 5 days repairing fence, @ $2.50 per day; we let him have 8 prs. socks, @ 50¢, balance on ℅.

EXERCISES FOR THE STUDENT.

Cash sales, $24.60. 6. Paid cash for newspapers, $4. The proprietor has taken 16 ℔ Lancaster gingham, cost 10¢ per ℔; 1 pr. gaiters, $3.50. Sold Lena Dranga, on ℅, 10 ℔ crash, @ 20¢; 1 table-cover, $3.25; 1 clothes-line, $1.25. Cash sales, $38.50. 8. Put $50 in Bank of San Jose. Gave Field & Co. an order on Kate Montgomery for $50. Bo't of Fred Cauch, on ℅, 80 ℔ Lima beans, @ 4½¢; 1 doz. quail, $1.50. Cash sales, $30. 9. Sold John Ames, on ℅, 4 shirts, @ $1.50. Rec'd cash, on ℅, of Frank Graham, $12. Paid cash for drayage, $2.50. Sold Henry Artful, on ℅, 30 ℔ English broadcloth, @ $2.25. Cash sales, $38.25. 10. Cash sales, $108.50. 11. Put $80 in Bank of San Jose. Paid our clerk, Amy Whatmore, $40, by check on Bank of San Jose. Cash sales, $88.40. 12. Rec'd Henry Artful's note, at 60 days, to balance his acc't, $....Paid cash for gas, $2.75. Sold Fred Hazard, on ℅, 16 linen collars, @ 25¢; 6 white shirts, @ $2.50; 6 pr. socks, @ 50¢. Cash sales, $40.30. 13. Put $40 in Bank of San Jose. Bo't of Jennie Hale, on ℅, 6 doz. silk hkdfs., @ $4.50; 3 pcs. cassimere, 150 ℔ @ 75¢. Cash sales, $18.20. 14. Sold John Ames, on ℅, 25 ℔ bleached muslin, @ 12¢; 1 pr. slippers, $1.25. Rec'd an order from Jennie Hale, requesting us to pay Virginia Calhoun cash $20. Cash sales, $16.50. 15. Credit our clerk with two weeks' salary, $60. Henry Artful has failed and his note is worthless. On examination of our cash we find $10 counterfeit. Took an inventory and found Mdse. on hand, $900.

Set 6 (a). June 1, 1890. Student commenced business with cash, $980; a note of James Preston, for $500; and an account against Orra J. Traber of $128. Student owes Cyrus Gaddis, on ℅, $85. 2. Deposited $925 in Garden City Bank. Bo't of Holland & Co., a bill of Mdse., $800, gave them a check on G. C. Bank for $500.—Bal. on ℅. Received an order from James Preston on Cyrus Gaddis for $200, to apply on Preston's note. Sold Wm. Pettit a bill of Mdse., $290, and received cash, $190.—Bal. on ℅. Gave Cyrus Gaddis a check on G. C. Bank for $60. 3. Deposited $325 in G. C. Bank. Sold Charles Smartman a bill of Mdse., $210, and received a check for $100.—Bal. on ℅. Bo't a bill of Mdse. of Clyde Ray, $300, gave him our note for $200, and a check on G. C. Bank for Bal. Smartman has failed, and we have received 20% of am't due us in cash. 4. Took an inventory and found Mdse. on hand $700.

EXERCISES FOR THE STUDENT.

Set 6 (b). January 1, 1890. Student commenced business with cash, $690; Mdse. $2,000. Student owes Fred Ogden, $200 on note. Sold Harding Kennedy a bill of Mdse., $170, and received an order on Fred Ogden for $100.—Bal. on ℅. Sold Inez Tarr a bill of Mdse., $186, and received a check for $100. —Bal. on ℅. 2. Paid Fred Ogden $100 on note. Bo't of Chas. Kirby a bill of Mdse., $216, and gave him an order on Inez Tarr for $75, an order on Harding Kennedy for $70.—Bal. on ℅. 3. Sold Fred Ogden on ℅, a bill of Mdse., $163.50. Sold Henry Peters on note, a bill of Mdse., $270. Paid cash for rent $65. 4. Took an inventory and found Mdse. on hand, $1,710.

Set 6 (c). May 1, 1892. Student commenced business with cash, $1,260; Mdse., $1,100. Deposited $1,200 in Union Bank. Bo't a bill of Mdse. of Webb & Co., $364, and gave a check on Union Bank for the amt. 2. Sold Frank Whipple a bill of Mdse. $295.50, and received a check on Union Bank for $200.—Bal. on ℅. Sold Eli Harter a bill of Mdse., $340, and received a note for $250.—Bal. on ℅. Credit Henry Jones for 5½ days' work at $3.00 per day. Sold Bert McNeil a bill of Mdse., $200 on ℅. Gave Henry Jones an order on Frank Whipple for am't due him. Bo't Mdse. of Webb & Co., $300, and gave a check on Union Bank for $200.—Bal. on ℅. 3. Sold our entire stock of Mdse. for $1,050 cash.

Set 6 (d). Sept. 1, 1891. Student commenced business with cash, $3,600, and an account against John Tennant of $180. Bo't a bill of Mdse., $1,760, of Rice & Co., and paid cash, $1,500.—Bal. on ℅. Deposited $2,000 in Merchants' Bank. 2. Hired Chas. Burrell to clerk, at a salary of $80 per month. Sold Addie Beck Mdse., $190.25, and received her note for that amount. Sold Ralph Burns a bill of Mdse., $210, and received cash, $175.—Bal. on ℅. 3. Bo't a bill of Mdse. of Enid Bell, $300, and gave her Addie Beck's note.—Bal. on ℅. Sold George May Mdse., $416, and received a check on Merchants' Bank for $300.—Bal. on ℅. 4. Gave our clerk a check on Merchants' Bank for $20. Paid for

advertising $30, by check on Merchants' Bank. Received an order from John Tennant on Ralph Burns for $100, to apply on Tennant's %. 5. Credit our clerk with salary to date, $18. Took an inventory and find Mdse. on hand, $1,243.75.

Set 6 (e). March 1, 1892. Student commenced business with Mdse., $3,400; cash, $360. Sold Jas. Gordon Mdse., $462, and received his note for $400.—Bal. on %. Sold George Little Mdse., $300, and received cash, $186.—Bal. on %. Paid cash for wood, $25. 2. Sold Ida Parry Mdse., $315, and received an order on Jas. Gordon for $160.—Bal. on %. Bo't Mdse. of Lawton & Co., $420, and gave an order on Ida Parry for $100.—Bal. on %. 3. Discounted Gordon's note at Bank of San Jose, and received $388 in cash for it. Sold Ida Parry Mdse., $194, on %. Little has failed and we lose the am't due us. Sold Jas. Gordon, on %, Mdse., $170. 4. Paid Lawton & Co. am't due them in cash. Took an inventory and find Mdse. on hand, $2,400.

Set 6 (f). Aug. 1, 1890. Student commenced business with Cash, $6,000, and a note against Henry Owen, $280.

Aug. 2. Deposited $5,800 in Garden City Bank. Bo't Mdse. of Swan & Co., $2,800, and gave a Check on G. C. Bank for the am't. Sold Chas. Ames, Mdse., $265.50, and rec'd a Check for $150.—Bal. on %. Bo't coal for store use, $85, and gave a check on G. C. Bank for the am't. Sold Geo. Smaller Mdse, $70, and rec'd his check for the am't.

Aug. 3. Henry Owen paid us Cash on his note, $75. Sold Peter Slim, Mdse., $310, and received his note for the am't. Bo't Mdse. of Ira Parker, $700, and gave Slim's note in part payment. —Bal. on %. Smaller's check is worthless, and he has disappeared. Sold V. Rattan Mdse., $285, and received his note for $100, an order on Henry Owen for $100.—Bal. on %.

Aug. 4. Sold Chas. Ames, Mdse. $290, and rec'd an order on Henry Owen for $200.—Bal. on %. Deposited all Cash on hand in G. C. Bank. Paid for incidentals by check on G. C. Bank, $28.50. Took an inventory and find Mdse. on hand, $2,700, and coal, $57.

EXERCISES FOR THE STUDENT.

Set 7. San Jose, May 1, 1888. James Black commenced business this day with the following Assets and Liabilities: *Cash*, $1,750; *Mdse.*, $2,000; Acct. against Adam Alvarez, $200. He owes one Note, dated April 10, 1888, at 6 mos., favor Richard Cotter, for $250.

May 2. Paid for sets of books, $24. Deposited in Commercial Bank, $1,650. Sold Fred Brunhouse, on %, 1 sofa, $18; 6 parlor chairs, @ $5; 1 table, $22.

May 3. Paid for freight, $16.25. Bo't of San Jose M'f'g Co., an invoice of furniture amounting to $450; gave our note at 90 days for $300.—Bal. on %. Sold Bonnie Ford, 1 book-case, $30; 1 rocker, $7.50; received an order on Malsie Livingston for $15.—Bal. on %.

May 4. Bo't an invoice of Mdse. of the San Jose M'f'g Co., $300, and gave a check on the Commercial Bank for the Amt. Sold Walter Gray, 1 what-not, $13.50; 1 doz. common chairs, $12; 40 yds. Brussels carpeting, @ $1.50; received cash, $40.—Bal. on %. Paid cash for advertising, $12.50.

May 5. Adam Alvarez paid cash on %, $50. Paid $100 on our note, held by R. Cotter, by check on Commercial Bank. Fred Brunhouse paid cash for his bill, but we allowed a discount of $6, on account of a defect in sofa.

May 7. Paid cash for gas, $7.50. Received cash for petty sales, $10.50. Sold Mamie Lowe, 1 bureau, $30; 1 bracket, $4.50; 1 lounge, $18; received cash, $20.—Bal. on %.

May 8. Adam Alvarez gave his note at 90 days to balance his Acct. Sold Walter Sumner, 1 wardrobe, $32; 1 book-case, $40; 4 chairs, $12, received cash, $25.—Bal. on %.

May 9. Sold Bonnie Ford, on %, 6 chairs, @ $2.50, 26 yds. carpeting, @ $1.30. Paid cash for incidentals, $8.75. Received cash for petty sales, $21.10.

May 10. Bo't of T. S. Hays, 1 light wagon, $125, gave him an order on Walter Gray for $45.—Bal. on %. Deposited in Commercial Bank all cash in store.

May 11. Sold Walter Gray, on %, 1 music stool, $8.50. Sold T. S. Hays, on %, 1 doz. dining chairs, @ $1.50 each. Received for petty sales, $18.90. Mdse. in store at this date, $2400.

NEW FIRM.

May 12. James Black has this date associated with him in business H. C. Clark. Mr. Clark deposits in Commercial Bank, an amount equal to Mr. Black's net capital on May 12, and is to share equally in gains and losses after that date. (Student will close all accounts, May 12, and bring down balances,—making out a Balance Sheet for Mr. Clark's inspection.)

May 14. Received cash for petty sales, $22.30. Sold Emma Tupper, on %, 1 bureau, $34. Sold Adam Alvarez, 1 portable secretary, $35; 1 washstand, $8.50; 1 study lounge, $20; received cash, $20.—Bal. on %.

May 15. Paid $45 for rent, by check on Commercial Bank, received cash for petty sales, $19.25. Sold T. S. Hays, on %, 1 rosewood tete-a-tete, $40.

May 16. Bo't an invoice of Mdse. of Rose & Co., Amt., $125, and gave a check on Commercial Bank for $100, and an order on Emma Tupper for $25.

May 17. Received cash for petty sales, $22.10. Paid cash for incidentals, $3.25. Sold Bonnie Ford, on %, 1 mantel clock, $15. Sold Walter Gray, 1 center table, $14.50; 1 lot black walnut lumber, $50; and received an order on F. Arbogast for $25.—Bal. on %.

May 18. Received cash on % of Bonnie Ford, $10. Sold Richard Cotter, on %, 1 lot of maple lumber, $75. Received cash for petty sales, $21.25.

May 19. Sold T. M. Hawkins, on note at 6 mos., a bill of Mdse., $100. Sold Mamie Lowe, on %, a bill of Mdse., $45.

May 21. Paid cash for advertising, $15. Sold Walter Gray, on %, 6 parlor chairs @ $5.50. Sold Walter Sumner, on %, 1 hair mattress, $15.

May 22. Sold George Aimless, on %, a bill of Mdse., $110. Found a counterfeit five-dollar bill in cash drawer. Received Cash for petty sales, $36.50.

May 23. Sold Richard Cotter, 1 cottage bedstead, $18; 1 set enameled furniture, $80; received cash, $25.—Bal. on %. Loaned Henry Miller, cash, $50.

May 24. Sold George Tebbe, on %, a bill of Mdse., $74. Geo. Aimless has failed and we have received 30% of Amt. due us by order on Geo. Tebbe.

NEW FIRM.

May 25. Sold Henry Miller, on %, 220 ft. black walnut lumber, @ $150 per M. Received cash for petty sales, $18.70. Paid cash for incidentals, $6.20.

May 26. Sold Walter Gray, on %, a bill of Mdse., $48.20. Sold Geo. Tebbe, 1 set maple furniture, $120, received an order on Amelia Meyer, for $75.—Bal. on %.

May 27. Sold Adam Alvarez, on %, a bill of Mdse., $50. Paid cash for newspapers, $6. Received cash on % of Henry Miller, $20.

May 28. Discounted our note, dated May 3, favor S. J. M'f'g Co., and paid $290 by check on Commercial Bank. Sold Richard Cotter, on %, 40 yds. English carpeting, @ $1.60.

May 29. Mamie Lowe returned a defective clock and we credit her for value, $12. Sold Walter Sumner, on %, 1 black walnut bedstead, $30. Paid cash for incidentals, $10.

May 30. Took an Inventory and find Mdse. in store, $1,370.

EXAMPLES FOR STATEMENTS.

Example 1. A and B are equal partners, each investing $5,500. At the end of the year they wish to take C into co-partnership, upon condition that he invest equally with them. The following is a statement of their business previous to uniting with C: Ledger Accts., — Georgia Thatcher, Dr., $800, Cr., $650; George Albee, Dr., $3,000, Cr., $1,200; Carter Elliott, Dr., $1,890, Cr., $780; Rose Clark, Dr., $580, Cr., $720; John Hughes, Dr., $4,000, Cr., $2,100; Celia Daniels, Dr., $1,500, Cr., $1,100; L. B. Keel, Dr., $870, Cr., $420; Merchandise unsold, $3,200; Notes on hand, $3,000; Notes outstanding, $1,200; Cash on hand, $1,650. Required, a statement showing gain or loss, and net *capital of each* partner at closing.

Example 2. C and D enter into co-partnership, C to furnish $6,000, and D to furnish $4,000; gains and losses to be shared proportionately. At the end of the year they have cash, $2,980; Personal Accts., $1,600; Merchandise, $8,700; Notes, $1,875; they owe, on notes, $2,000; on personal Accts., $2,800. Required, gain or loss in business; each partner's capital at closing.

EXAMPLES FOR STATEMENTS.

Example 3. A, B and C are partners. A puts into the concern, $7000; B, $5,000, and C, $4,000. At the close of the year their books exhibit the following results: Nellie Day, Dr., $1,650, Cr., $400; G. M. De Lameter, Dr., $1,120, Cr., $850; George Boke, Dr., $1,640, Cr., $1,810; Frank Lane, Dr., $750. Cash received, $42,820.25; Cash paid out, $39,870; Merchandise on hand, $2,650; Notes received, $15,000; Notes disposed of, $13,500. A has drawn out, $1,000; B, $800; C, $500. They have issued notes to the amount of $3,500, and redeemed notes to the Amt. of $2,800. Required, a statement exhibiting all these facts, also gains or losses, and each partner's net capital at closing.

Set 8. Petaluma, Jan. 1, 1888. Geo. A. Tebbe commenced business as a farmer, with the following Resources and Liabilities:

160 acres of land, valued at $10,000; Buildings and fixtures, $3,600; Implements, $300; Live-stock, $500; Hay and grain on hand, $250; Cash, $400; An Acct. against Willis Parker for $100. Mr. Tebbe owes W. W. Cooper, on %, $40, and O. H. Grubbs, on note at 6 mos. $150.

Jan. 2. Engaged Henry Tucker for the year, at $25 per month, and paid him cash down $20. Subscribed for "Rural Press", paying cash, $2.50.

Jan. 30, I am trading with W. M. Greenwell & Co. They are to render a bill on the last day of each month. Rec'd bill to-day for $75.25; I pay them cash, $25.—Bal. on %. Rec'd cash for eggs, $4.25.

Feb. 28. Willis Parker paid cash on %, $25. Commenced an Acct. with Chas. Nott, blacksmith; his bill for month is $15 50; I let him have 5 doz. eggs @ 40c., and cash, $5. Greenwell & Co's bill for month is $65.20. My man and team worked for Greenwell & Co. 5 days @ $3.50 per day.

March 31. Sold Jennie Mangrum, on %, 10 lbs. butter @ 30c.; 6 doz. eggs, @ 25c. Greenwell & Co's bill is $81.10. Nott's bill is $16.50. I paid Greenwell & Co. cash, $20; and Nott, cash, $10. Deposited $340 in Commercial Bank.

EXAMPLES FOR STATEMENTS.

April 30, Paid Henry Tucker $50, by check on Commercial Bank. Sold Blanche Tarr, on %, 5 chickens @ 50c.; 6 lbs. butter @ 30c.; 2 boxes apples, @ $1.25. Bill of Greenwell & Co., $35.20. Bill of Nott, $10. Rec'd cash for eggs, $12.50.

May 31. Gave W. W. Cooper an order on Willis Parker for $40. Paid cash for incidentals, $12.60. Bill of Greenwell & Co. $42.10. Bill of Nott, $8.50. My team has worked for Greenwell & Co. 4 days @ $3.50. Paid cash, S. J. Mercury, $4.

June 30. Sold A. B. McKean, 8 C. of wheat @ $1.75; 10 lbs. butter at 40c.; received cash, $10.—Bal. on %. Bill of Greenwell & Co. $54. Bill of Nott, $12.25.

July 31. Received cash for butter and eggs, $13.25. Sold Mattie Powell, on %, 250 lbs. peaches @ 1½c.; 40 lbs. dried cherries @ 12c. Greenwell & Co's bill, $70. Nott's bill, $17.50. Paid for incidentals, $14.25. Paid interest on note held by O. H. Grubb, $7.50.

Aug. 31. Paid Henry Tucker, $50 by check on Commercial Bank. Received cash for eggs, butter and vegetables, $38.50. Paid cash for incidentals, $13.75. Bill of Greenwell & Co., $60 Nott's bill, $30.50. Sold Nott, on %, 4 pigs @ $2.50.

Sept. 30. Bill of Greenwell & Co., $84. Nott's bill, $20. Received cash for butter and eggs, $12.75. Sold James Petray, 8 tons of hay @ $12; and received cash, $40.—Bal. on %. Paid cash for incidentals, $13.10.

Oct. 31. Paid Greenwell & Co., $50 by check on Commercial Bank. Paid for incidentals, $14.75. Greenwell & Co's bill, $68.40. Nott's bill, $18.20. Received cash for butter and eggs, $19.50.

Nov. 30. Nott's bill, $7.50. Bill of Greenwell & Co., $45.15. Received cash for butter and eggs, $12. Sold Greenwell & Co., on %, 500 C. of wheat @ $1.70. Sold for cash, 20 tons of hay @ $11.50. Paid note held by O. H. Grubbs, in hay @ 12 per ton; note and interest being $155.50.

EXAMPLES FOR STATEMENTS.

Dec. 31. Bill of Greenwell & Co., $28.30. Nott's bill, $8.20. Settled with Henry Tucker and paid him balance due him in cash. Took an Inventory and find value of property on hand, as follows: Farm, $10,200; Buildings and Fixtures, $3,400; Implements, $250; Live-stock, $600; Hay, Grain and Fruit, $1,750. Interest on land, etc., for the year, $800. Make out a Statement showing Resources and Liabilities, and Gain or Loss.

Set 9. Rocklin, Jan. 1, 1888. W. R. Bankhead opened a blacksmith shop to-day. Cash on hand $225. Shop and tools valued @ $700.

Jan. 2. Paid cash for iron, $67.50. Edward Spinks hauled the iron and charged us $3 on %. Shod two horses for Edward Spinks and charged him $4 on %.

Jan. 3. Mended buggy for Amy Davis and charged $7.50 on %. Sharpened iron bar for L. F. Puter and charged him $1.10, on %. Paid cash for beef, 75c.

Jan. 4. Edward Spinks worked 2 days repairing shop and charged $7 on %. Bought of F. E. Whitehurst, on %, 1 sack flour $1.50; 10 lbs. sugar, $1; 2 gals. syrup, 90c.; 100 lbs. potatoes, $1.25. Mended plow for J. A. Cilker and charged $1.75 on %.

Jan. 5. Paid cash for vegetables, 80c. Shod two horses for H. A. Baggett and charged $3 on %. Paid cash for coal, $8.50. Bo't of Malsie Livingston, on %, 1 buggy, $35. Mended wagon for F. E. Whitehurst, and charged $2.75 on %.

Jan. 6. Received cash for work this week, $11.50. Mended harrow for Edward Spinks and charged $1.50 on %. Shod 1 horse for E. D. Martin and charged $2 on %.

Jan. 7. Paid Malsie Livingston, on %, $10. Made 1 set of hinges for H. A. Baggett and charged $1.00 on %. Shod 1 horse for J. A. Cilker and charged $1.75 on %.

Jan. 9. Shod 2 horses for L. F. Puter, $3.50 and made 6 staples 75c., charged on %. Paid cash for beef, $1.25.

Jan. 10. Bo't of Edward Spinks, on %, 150 lbs. old iron, @ 2c. Paid cash for insurance, $4.25. Mended harrow and plow for E. M. Griswold, $4.75; charged on %. Bo't of F. E. Whithurst, on %; 50 lbs. salt, $1.25; 100 lbs. flour, $2.25; 5 gals. coal oil, $1.25.

Jan. 11. Charged J. R. Mangrum for work, as follows:

Shoeing horses, $3.50; repairing reaper, $3.25; 16 bolts, $1.20; 1 chain hook, 75c. Paid cash for sundries, $1.10.

Jan. 12. Sold E. C. Heintz, on note at 90 days, 1 buggy, $90. Paid cash for books and paper, $3.25. Repaired cart for E. D. Martin and charged $3.50 on %.

Jan. 13. Bo't of G. M. Steele, 4 cords of wood @ $6.50, gave him an order on L. F. Puter, for $5.—Bal. on %. Repaired wagon for J. R. Mangrum and charged $8 on %.

Jan. 14. Received cash for work, $16.25. Paid cash for vegetables, $1.20. Shod 2 horses for J. C. Towns, $3.50, charged on %. Received cash on % of J. A. Cilker, $2.50. Repaired wagon for E. M. Griswold and charged $6 on %. Paid cash for iron, $11.50. Received from J. R. Mangrum, cash, on %, $3. Repaired buggy for G. M. Steele, $7 charged on %.

Jan. 16. Repaired garden tools for Amy Davis, $2.20 charged on %. Paid cash for old iron, $1.75.

Jan. 17. Sold our shop and tools to F. M. May, for $750, received cash, $350 and note at 60 days for balance. Make out a Statement showing Gain or Loss, and Net Capital at closing.

MODEL SET III.

In the following set, we have presented a method of keeping accounts, which is used by several large provision merchants in this State. The Day Book, in this set, is a combination of Day Book, Order Book, and Sales Book; some small invoices, also, are entered in it. As in the Day Book models of the preceding sets, *To* and *By* have been omitted in the entries, because the terms *Dr.* and *Cr.*, written directly after the party's name, are sufficiently explicit.

The Ledger of this set, as shown on pp. 72 and 73, has wider pages, which permit us to carry the different *items* of each Day Book entry on account, in full to the Ledger, where the total cost of each *item* is placed, in smaller figures, *above* each of the different items.

This method of entering the items in full on the face of the Ledger, has the advantage that an itemized bill may be made out without referring to the Day Book.

MODEL SET III.

An Invoice Book, a Memorandum Book, and a Bill Book are also kept. Paste the invoices in the Invoice Book, and post those charged to acc't, directly to the Ledger.

San Jose, Jan. 1, 1884. Henry Norton and Carl Allen commence business with the following resources and liabilities; gains and losses to be divided equally:

Carl Allen invests, *cash*, $800; *merchandise*, $800; personal accounts, as follows: Mamie Murray, $150; Wm. Bacon, $250. G. W. Congdon holds Carl Allen's *note* for $100, dated Dec. 1, '83, at 90 ds.

Henry Norton invests, *cash*, $1000; *merchandise*, $700; *note* against Blanche Krahl for $300, dated, Nov. 1, '83, at 60 ds. Henry Norton owes Mattie Trimble $100, on acc't.

Jan. 2. Sold Wm. Bacon, on %, 50 # rice, @ 8¢; 5 # kerosene, @ 45¢; 4 # tea, @ 60¢. Bo't of W. S. Bailey, for cash, 500 # Lima beans, @ 5¢; 400 # salt, @ 2¢; 400 # sugar, @ 10¢. Paid cash for stationery, $2.25. Sold Mamie Murray, 50 # pickles, @ 8¢; 80 # sugar, @ 13¢; rec'd 10 # eggs, @ 30¢—balance on acc't. Cash sales, $35. 3. Sold Mattie Trimble, on %, 10 # vinegar, @ 30¢; 8 # coffee, @ 20¢; 5 # tea, @ 50¢. Bo't of W. S. Bailey, on %, 100 bbls. flour, @ $5; 300 # bacon, @ 15¢; 120 # coffee, @ 15¢. Paid cash for insurance, $13.25. Rec'd cash, on % of Wm. Bacon, $100. Sold Mattie Trimble, on %, 2 boxes soap, @ $1.25; 1 sk. flour, $1.50; 1 box crackers, $2.10. Rec'd from Mamie Murray, an order on Cora Lee for $50 cash. Cash sales, $25.80. 4. Sold Wm. Bacon, on %, 2 sks. flour, @ $1.50; 4 # tea, @ 75¢; 20 # rice, @ 7¢. Discounted our note held by G. W. Congdon, paying her cash, $95. Rec'd from Blanche Krahl, cash, $100, to be credited on her note. Cash sales, $38.50. 5. Sold C. N. Mills, for cash, 10 # starch, @ 12½¢; 6 chickens, @ 50¢; 120 # potatoes, @ 2¢; 5 # syrup, @ 60¢. Rec'd from Wm. Bacon, his note at 30 ds., to balance acc't. Sold Mamie Murray 50 bbls. flour, @ $6; rec'd her note at 60 ds., for $200—balance on acc't. Bo't of Mattie Trimble, on %, 1,500 # dried prunes, @ 10¢. Cash sales, $40.80. 6. Debit Carl Allen with Mdse. to date, $58.50. Debit Henry Norton with Mdse. to date, $75. Took an inventory and find Mdse. on hand, $2100.

DAY BOOK.

72	CARL ALLEN, *Cr.*			
	For Investment as follows:			
	Cash	800		
	Mdse	800		
	Mamie Murray's account	150		
	Wm. Bacon's account	250		2000
	Dr.			
72	Note, per B. B.			100
	"			
72	HENRY NORTON, *Cr.*			
	For Investment as follows:			
	Cash	1000		
	Mdse	700		
	Note, per B. B.	300		2000
	Dr.			
72	Mattie Trimble, on a/c			100
	"			
72	MAMIE MURRAY, *Dr.*			
	Balance, favor C. Allen			150
	"			
73	WM. BACON, *Dr.*			
	Balance, favor C. Allen			250
	"			
73	MATTIE TRIMBLE, *Cr.*			
	Balance, due from H. Norton			100
	2.			
73	WM. BACON, *Dr.*			
	50 # Rice, @ 8¢	4		
	5 # Kerosene, 45¢	2	25	
	4 # Tea, 60¢	2	40	8 65
	"			
72	MAMIE MURRAY, *Dr.*			
	50 # Pickles, @ 8¢	4		
	80 # Sugar, 13¢	10	40	14 40
	Cr.			
72	10 # Eggs, @ 30¢			3

DAY BOOK.

73	MATTIE TRIMBLE,	*Dr.*			
	10 # Vinegar,	@ 30¢	3		
	8 # Coffee,	20¢	1	60	
	5 # Tea,	50¢	2	50	7 10
	〃				
73	WM. BACON,	*Cr.*			
	Cash				100
	〃				
73	MATTIE TRIMBLE,	*Dr.*			
	2 boxes Soap,	@ $1.25	2	50	
	1 sk. Flour,	1.50	1	50	
	1 box Crackers,	2.10	2	10	6 10
	〃				
72	MAMIE MURRAY,	*Cr.*			
	Order on Cora Lee				50
	4.				
73	WM. BACON,	*Dr.*			
	2 sks. Flour,	@ $1.50	3		
	4 # Tea,	75¢	3		
	20 # Rice,	7¢	1	40	7 40
	5.				
	C. N. MILLS,	*Dr.*			
	10 # Starch,	@ 12½¢	1	25	
	6 Chickens,	50¢	3		
	120 # Potatoes,	2¢	2	40	
	5 # Syrup,	60¢	3		9 65
	〃				
73	WM. BACON,	*Cr.*			
	Note, to balance account				166 05
	〃				
72	MAMIE MURRAY,	*Dr.*			
	50 bbls. Flour,	@ $6			300
	Cr.				
72	Note at 60 ds				200
	6.				
72	CARL ALLEN,	*Dr.*			
	Mdse. to date				58 50
	〃				
72	HENRY NORTON,	*Dr.*			
	Mdse. to date				75

Paid.

SET 3.] INVOICE BOOK. *(Bills pasted in.)*

San Francisco, Jan. 2, 1884.

Allen & Norton,

Bought of W. S. Bailey.

Paid.

500 ℔ Lima Beans,	@ 5¢.....$25.	
400 ℔ Salt,	2¢..... 8.	
400 ℔ Sugar,	10¢..... 40.	
	$73.	73

Rec'd Payment,—Cash.

W. S. Bailey.

San Francisco, January 3, 1884.

Allen & Norton,

73 *Bought of* W. S. Bailey.

100 bbls. Flour,	@ $5.....$500.	
300 ℔ Bacon,	15¢..... 45.	
120 ℔ Coffee,	15¢..... 18.	
	$563.	563

Ch'd to acc't.

San Jose, Jan. 5, 1884.

Allen & Norton,

73 *Bought of* Mattie Trimble.

1,500 ℔ Dried Prunes,	@ 10¢.....$150.	150

Ch'd to acc't.

SET 3.] CASH BOOK.

1884			Dr.		Cr.	
Jan.	1	Amt. on hand	1800			
"	2	Paid W. S. Bailey, Mdse			73	
"	2	Paid for Stationery			2	25
"	2	Rec'd for Sales	35			
"	3	Paid for Insurance			13	25
"	3	Rec'd of Wm. Bacon, on ℅	100			
"	3	Rec'd of Cora Lee, per order M. Murray	50			
"	3	Rec'd for Sales	25	80		
"	4	Paid G. N. Congdon, on note			95	
"	4	Rec'd of Blanche Krahl, on note	100			
"	4	Rec'd for Sales	38	50		
"	5	Rec'd of C. N. Mills, Mdse	9	65		
"	5	Rec'd for Sales	40	80		
"	6	*Balance*			*2010*	*25*
			2199	75	2199	75

LEDGER.

CARL ALLEN.

1884						1884					
Jan.	1	Note, B. B	69	100		Jan.	1	Investment	69	2000	
"	6	Mdse	70	58	50	"	6	½ Net Gain		213	70
"	6	*Balance*		*2055*	*20*						
				2213	70					2213	70
						Jan.	7	Net Capital		2055	20

HENRY NORTON.

1884						1884					
Jan.	1	Mattie Trimble	69	100		Jan.	1	Investment	69	2000	
"	6	Mdse	70	75		"	6	½ Net Gain		213	70
"	6	*Balance*		*2038*	*70*						
				2213	70					2213	70
								Net Capital		2038	70

MAMIE MURRAY.

1884						1884					
Jan.	1	Balance, old account	69	150		Jan.	2	10 ℔ Eggs	69	3	
		$4. $10.40.				"	3	Order on C. Lee	70	50	
"	2	50 ℔ Pickles, 80 ℔ Sugar	69	14	40	"	4	Note, B. B	70	200	
"	4	50 bbls. Flour	70	300		"	6	*Balance*		*211*	*40*
				464	40					464	40
Jan.	7	Balance		211	40						

LEDGER.

WM. BACON.

1884						1884					
Jan.	1	Balance, old account	69	250		Jan.	3	Cash	70	100	
"	2	$4.00. $2.25. $2.40. 50 # Rice, 5 # Kerosene, 4 # Tea.	69	8	65	"	5	Note, B. B	70	166	05
"	4	$3.00. $3.00. $1.40. 2 sks. Flour, 4 # Tea, 20 # Rice	70	7	40						
				266	05					266	05

MATTIE TRIMBLE.

1884						1884					
Jan.	3	$3.00. $1.60. $2.50. 10 # Vinegar, 8 # Coffee, 5 # Tea	70	7	10	Jan.	1	Balance, old account	69	100	
"	3	$2.50. $1.50. $2.10. 2 boxes Soap, 1 sk. Flour, 1 box Crackers	70	6	10	"	5	Dried Prunes, I. B	71	150	
"	6	*Balance*		*236*	*80*						
				250						250	
						Jan.	7	Balance		236	80

W. S. BAILEY.

1884						1884					
Jan.	*6*	*Balance*		*563*		Jan.	3	Mdse., I. B	71	563	
						Jan.	7	Balance		563	

RESOURCES.			LIABILITIES.		
Cash	2016	25	Mattie Trimble	236	80
Inventory	2100		W. S. Bailey	563	
Notes	566	05	C. Allen's Net Investment	1900	
Mamie Murray	211	40	H. Norton's Net Investment	1900	
C. Allen (Private Acc't)	58	50	*Net Gain*	*427*	*40*
H. Norton (Private Acc't)	75				
	5027	20		5027	20

SPECIAL REMARKS ON THE LEDGER.

Index the Ledger accounts in actual business. This is done by arranging in alphabetical order the *account-titles* with the Ledger-page of each. This index is usually kept in the beginning of the Ledger, but it is often convenient in posting, to have it written on card-board and placed before the book-keeper. In an extensive business the index may be kept in book form, with several pages reserved for each letter of the alphabet. The leaves are cut so as to make an offset on which the letters of the alphabet are pasted. Then by placing the thumb on a letter, the book can be thrown open to find any name beginning with that letter.

Errors in posting may be corrected by drawing a line in *red ink*, or with a *pencil*, through the error and then posting the entry to the proper place. Never erase, as the paper is injured by the operation, and in case the books are brought into Court, it may be difficult to explain the erasure.

A red ink entry in the Ledger, denotes that the amount thus written is to be transferred, either to some other account, or to another position under the same account. "It also shows that the entry is *first* made in the Ledger, not having passed through the usual preliminary books of entry. Red ink entries are always transferred to the *opposite side* from where they are first written, for the reason that they express the excess of that side."

PART II.

DOUBLE ENTRY.

DOUBLE ENTRY.

Double Entry is a system of book-keeping in which every transaction is *twice entered;* first on the debtor side of one or more accounts, and then on the creditor side of one or more other accounts, to which it also belongs. The principle which underlies double entry book-keeping may be pertinently stated thus,—*Every debit has its credit*—every amount that is charged to one account must be placed to the credit of another.

For example: a man purchases a bill of merchandise from a merchant; the merchant enters the amount of the merchandise on his books to the *debit* of the purchaser and to the *credit* of Mdse. account, one entry thus balancing the other.

Book-keeping by single entry embraces only the accounts of persons; but in double entry *persons* and *things* are alike debited and credited, and accounts are kept not only with individuals, but also with the different species of property in your possession, and with the different branches of your gains and losses. Double Entry enables you,—by thus keeping an account with property—to know the condition of any department of your business at a glance, and gains or losses may be determined by examining only two or three accounts.

It is a beautiful system—a science in fact, based upon true mathematical principles, all the elements composing it being so interwoven that a derangement of one can be traced by the effect upon the others;—a perfect, mathematical, and evenly-balanced system of checks and counter-checks, every detail being adjusted with that nicety and precision which produces absolute correctness in results.

There is a genuine beauty in a mathematical problem, for when it is worked out the solution is susceptible of proof within itself. And so in double entry book-keeping, the correctness of the work can be clearly demonstrated,—the existence of the slightest error being readily detected and the error easily traced.

NOTE.—In Part II., the period after common abbreviations and contractions, in the fully worked-out Model Sets, is omitted. This omission of the period is in accordance with the practice of business men.

DOUBLE ENTRY BOOKS.

Accounts in double entry are usually kept in a "set of books" known as Day Book, Journal, Ledger, and Cash Book. In an extensive business, several additional books are needed, such as Invoice Book, Sales Book, Bill Book, Order Book, and others, according to the nature of the transactions.

The Day Book contains a plain history of your business transactions, written in the order of their occurrence. It is customary to open the Day Book by giving a statement of your Assets and Liabilities at the commencement of business, making the entry in *history form*; and complete, in as few words as possible.

The Journal is used for arranging under Ledger titles the entries that have been previously made in the Day Book, and for affixing to each Ledger title the correct amount of debit or credit; this is called *journalizing.*

Business men have abandoned the use of the Day Book and Journal as separate books. The two are usually combined and may be called a *Journal-Day-Book.* When combined, the Journal entry is made first, and the Day Book explanation written as briefly as possible either under or at the right of the Journal entry.

It is true that in practice, the use of the Journal is becoming obsolete, for it only entails additional labor without compensating benefits. But when we teach our juniors, we must first let them grasp the system of the Italians,—using Day Book and Journal as separate books—and make them understand its theory, before they can use our short cuts and labor-saving contrivances. It is customary, in journalizing, to write the journal entry as follows:

Cash Dr.
To Mdse.

As the debit account is always above and to the left of the credit, the mere position of the names indicates which is "Dr." and which is "Cr." of the accounts; therefore, "Dr." and "To" may be omitted, and the entry made in the following manner:

Cash
Mdse.

The Journal should have two extra columns,—one for Mdse. Dr., and the other for Mdse. Cr.; by the use of these extra columns, it is unnecessary to post the merchandise oftener than once a month,—crediting Mdse. account in the Ledger at the end of the month for total sales on account, as shown by the Mdse. Cr. column, and debiting it for purchases on account as shown by Mdse. Dr. column.

The Ledger is the most important book of the series. Its principal use is to collect under one head all sums belonging to the same account. The form and mode of entry in a Double Entry Ledger is similar to Single Entry. The principal difference in the use of the Ledger in the two systems is this: The Single Entry Ledger contains accounts with individuals only, while the Double Entry Ledger contains accounts not only with *persons*, but with every *species of property* in which we deal. On the debit side we find Resources and Losses; on the credit side, Liabilities and Gains.

The Cash Book, as in single entry, contains a record of cash transactions; but it may profitably be used as a book of original entry, and the posting done directly therefrom to the Ledger. In making entries in this book sufficient explanation should accompany the entries to make them plain. It is unnecessary to keep a cash account in the Ledger; but, instead, enter on the Trial Balance, when it is taken, the balance or totals of the Cash Book.

The Sales Book contains a record of Mdse. sales. It is not often used in small establishments, as the sales are generally recorded in the Journal-Day-Book. When a Sales Book is kept, you may post directly from it to the Ledger,—posting the debits to the personal accounts therein charged, and carrying the total sales forward till the end of the month, when Mdse. account is credited in one entry for the total sales of the month.

The Invoice Book contains a record of Mdse. bought. The following plan of keeping an Invoice Book is simple and economical: Get a scrap-book of proper width of page, and rule a single dollar-and-cent column at the right side of each page. Index the book and paste the bills in alphabetical order,

according to firm names. Carry the amount of each bill to the money column at the right. Post directly from this book to the Ledger,—crediting the proper account in the Ledger with the amt. of the bill in the Invoice Book, and carrying forward the totals of the money column till the end of the month, when Mdse. account may be debited in one entry for the total purchases of the month.

The Bill Book contains a record of Notes and Time Drafts received and given. The form on page 23, in single entry, will answer for double entry. By changing the ruling of this book,—adding a column or two at the right—all accounts with notes and time drafts may be kept in the Bill Book. Bills Receivable and Bills Payable accounts may then be omitted in the Ledger, but in making a Trial Balance the same course must be pursued as with the cash account.

PRINCIPLES AND RULES.

In Double Entry book-keeping, there are three kinds of accounts aside from an account with the proprietor: accounts with persons, accounts with property, and accounts representing allowances made by us, or to us, for interest, discount, exchange, premium, storage, commission, expenses, etc., by which we sustain losses or realize gains.

Accounts may be divided into two classes: one of which is used to designate the Resources and Liabilities, and the other the Losses and Gains. The first may be called Real or Balance accounts, and the second, Representative or Loss and Gain accounts.

When the debit side of an account in the Ledger is the larger, the difference between the two sides is always either a Resource or a Loss. If this difference be *anything of value* belonging to us, or any note or personal account *owing to us*, it is a Resource; if not, it is a Loss.

When the credit side of an account in the Ledger is the larger, the difference between the two sides is always either a

Liability or a Gain. If this difference be any note or personal account *we owe*, it is a Liability; if not, it is a Gain.

OPENING A SET OF BOOKS.

As in Single Entry, the proprietor must be credited, in commencing business, with his Resources, and debited with his Liabilities. In a partnership business each member of the firm is credited and debited in a similar manner.

In the Italian system, you make a plain statement in the Day Book, of the condition of the business at commencing, giving a list of the Resources and Liabilities. (See Model Set 1.)

If you use the Journal-Day-Book, make the Journal entry first: List of Resources Dr. To Proprietor, and Proprietor Dr. To List of Liabilities; and then make the proper Day Book explanation. (See Model Set 2.) If there are partners, make a similar entry for each one. After making the proper entries in the Day Book, cash on hand should be entered in the Cash Book, notes in the Bill Book, and merchandise in the Invoice Book.

CLOSING A SET OF BOOKS.

It is customary in business to close the books once a year, at least. It is usually convenient to close all the accounts at this time, but the results of the year's work may be known by closing only the Loss and Gain accounts.

First Step. After all the items have been posted, take a Trial Balance of the Ledger accounts, to test the accuracy of the posting. *Every debit must have its credit.* Hence, if no mistake has been made, the sum of the debits in the Ledger will equal the sum of the credits, and the total footing of either side will equal the footing of the Journal. A Trial Balance is the test of this. In actual business it should be "taken off" at the close of each month.

A Trial Balance is made by writing the name of each account with corresponding aggregate debit and credit amounts. Find the sum of the debits and also of the credits. If the footings agree the Ledger is probably correct. If they do not agree, the error *must be found.* The first step in the search for the error. is to examine the footings of the Ledger and of

the Trial Balance, to see if an error has been made in adding. An error is frequently made by posting an amount to the *wrong side* of an account. If this discrepancy is an *even number*, take half of it, and examine the books from which you posted to see if such an amount can be found. Correct the error before proceeding further. A shorter Trial Balance may be made by omitting all accounts that balance.

Second Step. Open an account in the Ledger with "Loss and Gain," and another with "Balance;" the former to contain the balances of the Loss and Gain accounts, and the latter the balances of the accounts showing Resources and Liabilities.

Third Step. Make out an inventory of all property unsold. In business, this process is called "taking an account of stock," and consists in actually enumerating the articles, estimating each at its cash value.

Credit each account for which such property was originally debited, with the value of that unsold, making the entry in *red ink*, using the term "Balance." Debit Balance account also with this inventory, making the entry in *black ink*, using the term Merchandise, Real Estate, Expense, etc., as the case may be.

Fourth Step. Close the accounts in the order in which they occur in the Ledger, omitting the proprietor's or partners' account until all the other accounts have been closed.

Close a "Representative" account by entering on the smaller side, in *red ink*, the difference between the two sides, using as the closing term,—Loss and Gain. Then rule up the account and bring down the footings, carrying the Balance entry of the Inventory, if any, below the rulings on the debit side of the account,—"Balance," in *black ink*. Transfer the Loss and Gain amount to the opposite side of Loss and Gain account, writing, in *black ink*, the name of the account from which the transfer was made.

Close an account showing Resources and Liabilities, by entering on the smaller side, in *red ink*, the difference between the two sides, using the term "Balance." Rule and foot the account, and carry the balance below the rulings, in *black ink*, placing it on the opposite side from its position above. Transfer the red ink entry,—"Balance," to the proper side of Balance account.

The Loss and Gain account will now show on the debit side all the losses, and on the credit side all the gains,—the difference between the two sides being the *net loss*, or the *net gain*.

The Balance account will now show on the debit side all the Resources, and on the credit side all the Liabilities,—the difference between the two sides being the *net capital* or the *net insolvency* of the proprietor.

Fifth Step. Close Loss and Gain account into the Proprietor's account, or if it be a partnership business, into the partners' accounts, dividing the profits or losses according to agreement. The difference between the two sides will be entered on the smaller side, in *red ink*,—the closing term being the Proprietor's name or "Stock."

The difference between the two sides of the Proprietor's account will now show the same result as Balance account,—*net capital* at closing.

Sixth Step. Close Balance account into the Proprietor's, or the Proprietor's account into Balance, as you please; in either case, the account which is closed last should exactly balance. (See diagram, page 89; or model, page 96.)

RULES FOR JOURNALIZING.

"There *is* no infallible rule for journalizing—no single statement that will apply logically and with equal force to the record of all transactions;" but the student will find the following formulas valuable:

Debit what we *receive*; or what *costs* us value.	Credit what we *give*; or what *produces* us value.
LIST OF DEBITS.	**LIST OF CREDITS**
Cash received.	Cash paid.
Others' notes received.	Others' notes disposed of.
Our notes redeemed.	Our notes issued.
What others owe us.	What we owe others.
Capital withdrawn.	Capital invested.
Outlay or loss.	Returns or gains.

PRINCIPLES AND RULES.

THE PROPRIETOR.

Debit the Proprietor for his liabilities assumed by the business, for all cash, Mdse., etc., withdrawn for private use. In a firm, debit each partner in a similar manner.	Credit the Proprietor for what he invests at commencement of business, and for all subsequent investments. In a firm, credit each partner in a similar manner.

The title "Stock" is sometimes used in place of the Proprietor's name.

MERCHANDISE.

Debit for amt. on hand at commencing, for all we buy, and for any returned to us.	Credit for all we sell, and for any that we return. At closing, credit for amt. on hand.

Under the title "Mdse.," we include all goods in which the proprietor is dealing. If we wish to exhibit results in detail, we may open accounts with flour, clothing, etc., instead of uniting these various articles under the general head.

EXPENSE.

Debit with any outlay for carrying on the business.	Credit for anything disposed of, which was previously debited to Expense. At closing, credit for amt. on hand.

Under the title, "Expense," we generally include such items as rent, salaries, fuel, light, office books, office furniture, insurance, repairs, etc.

BILLS RECEIVABLE.

Debit for all written promises to pay, of other parties, when received.	Credit for the written promises to pay, of other parties, when paid or otherwise disposed of.

Under the title, "Bills Receivable," we include, Time Notes, and Drafts. Drafts are sometimes called Acceptances. Debit and credit Bills Receivable, for the face value of notes and drafts. The difference between the two sides will show Bills Receivable on hand.

PRINCIPLES AND RULES.

BILLS PAYABLE.

Debit whenever we pay notes and drafts we owe.	Credit for our notes when issued, and for drafts we accept.

Under the title, "Bills Payable," we include notes and accepted drafts, due at some future time. The difference between the two sides will show the Bills Payable outstanding.

CASH.

Debit when received.	Credit when paid out.

Under the title, "Cash," we include currency, checks, postal orders, sight drafts, and, generally, all kinds of paper payable on demand. A cash account should not be kept in the Ledger, as the Cash Book gives all the information needed. It is unnecessary labor to keep a bank account in the Ledger. You may consider the amount on deposit as so much cash on hand, and keep an account with the bank in the check book.

INTEREST AND DISCOUNT.

Debit when allowed to others.	Credit when allowed to us.

Interest is the compensation allowed for the use of money; and discount is the allowance made for the payment of a debt before it is due. "When we allow or pay for the use of money, we debit Interest for the use of the money which we *receive*, and credit Cash for the cash we *give* for the use of that money. When we are paid for the use of money which we have loaned, we debit Cash for the cash we *receive*, and credit Interest for the use of the money we *give*.

"When we need money, we sometimes take the notes which we hold against others to a bank and get them 'discounted.' If the notes are not drawing interest, the banker deducts a certain amount from the face of the note, and gives us the balance in cash. The amount which he deducts is the 'discount,' or the sum we pay him for the use of the money for the unexpired time of the note."

The above rules will apply also to such accounts as Storage, Commission, Exchange, etc.

PRINCIPLES AND RULES.

REAL ESTATE.

Debit for cost.	Credit for returns.

Under the title, "Real Estate," we include, farms, lots, houses, etc. In practice we usually keep a separate account with each kind of real estate, and the general term—Real Estate—is not needed.

PERSONAL ACCOUNTS.

Debit, at commencement, for what they owe us; and debit for everything we let them have on account.	Credit, at commencement, for what we owe them; and credit them for all we receive on account.

Under this heading we include persons, firms, and corporations. If the debit side of a personal account is the larger, the difference between the two sides is a Resource. If the credit side is the larger, the difference is a Liability.

LOST ACCOUNTS AND NOTES.

Debit for amounts we lose on accounts and notes by persons failing in business, making assignments, etc.	Credit for amounts that are afterwards paid on accounts and notes, which we had debited to this account.

Close this account into Loss and Gain. This account is not usually opened in the Ledger; but it will pay to keep it for the information it furnishes in a condensed form. If not kept, the worthless personal accounts should be separately closed into Loss and Gain, and the amounts lost on notes and drafts be charged to the same account. In closing an account which is *entirely worthless*, credit it in red ink,—"Lost Accounts and Notes," for the balance of the account, and carry this balance to the debit side of Loss and Gain account, writing the name of the account from which it was transferred.

Posting is carrying accounts to the Ledger. An account is opened in the Ledger with every debit and credit item found in the Journal. Every debit item in the Journal must be placed on the debit side of its account in the Ledger, and every credit in the Journal on the credit side of its account in the Ledger. The date of the item in the Journal is carried with it to the Ledger.

In posting debit items, write as an explanation in the Ledger account, the name of the credit item; and in posting credit items, write as an explanation in the Ledger account, the name of the debit item. The page of the Ledger is entered in the Journal, and the page of the Journal, in the Ledger.

Sundries is a technical term frequently used in book-keeping. It simply means *various accounts*, and is convenient as a Journal expression, to avoid the necessity of enumerating the items which comprise the totals carried to the Ledger accounts. It need not be written in the Journal, but may be *understood* when posting the totals. (See Model, page 93.)

Loss and Gain account generally receives the balance of the following accounts, for they are usually *speculative* in character and show losses or gains: Merchandise, Expense, Interest and Discount, Real Estate, Commission, etc.

Balance account generally receives the balances of the following accounts, for they usually show resources or liabilities: Cash, Bills Payable, Bills Receivable, Personal accounts, etc.

Change Single Entry to Double Entry in the following manner:

First.—Take an inventory of Mdse., and all other property on hand not at present represented in the Ledger; open an account in the Ledger for each kind of property,—Merchandise, Bills Payable, Bills Receivable, Cash, Expense, Interest and Discount, Real Estate, etc.—and debit these accounts for the total value of each as represented in the inventory. Also, credit the parties from whom we received notes, with the amount of such notes, if they were not credited with the notes at the time received; and debit the parties to whom we gave notes, with the amount of such notes, if they were not debited at the time the notes were issued.

Second.—Make out a "statement" in the usual manner—placing all the Resources on one side and the Liabilities on the other. The difference between the two sides of the Statement will be the Present Worth, and by comparing it with the Net Capital at commencing, the loss or gain will be found. Enter this amt. as "Loss and Gain" in the Ledger, on the proper side of the Proprietor's account—if it is a Gain, on the credit side, if a Loss, on the debit side.

Third.—Take a Trial Balance of the Ledger, for after the change to Double Entry has been made, your Ledger must balance, because all your Resources appear upon the debit side, and all your Liabilities and the Present Worth appear upon the credit side.

Partnership Change. In taking a new partner into the business, it is usually best to close the books at the time the change is made, and to make out a Balance Sheet, in order that the present condition of the business may be shown in a condensed form. When this is done, the Ledger exhibits on its face nothing but those accounts which are either Resources or Liabilities; it also shows the "present net worth" of the proprietor, or of each of the old partners. The new partner may now be credited with his net investment.

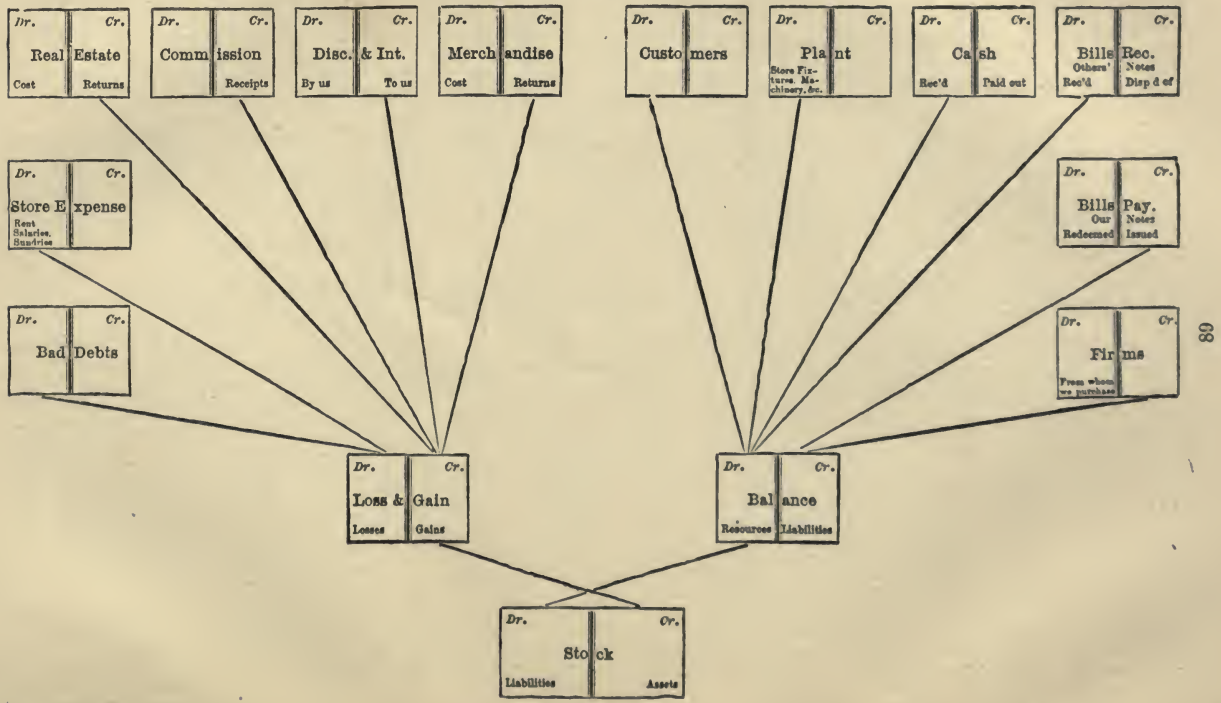
A Balance Sheet or Statement is usually made out once a month, in order that the proprietor may know how his business is progressing. At the close of the month, after the Trial Balance has been taken, it is the best time for preparing this Statement. The *forms* in use are various, according to the necessities of the occasion and the ingenuity of the accountant. The process of showing results is precisely similar in its order, and the results the same as in "closing the Ledger," which latter operation has already been fully explained. A Form, showing a combined Trial Balance and Balance Sheet, will be found on page 106.

Correcting Errors. When an entry is posted to the wrong side of an account, draw a *red* line through the amount of such error, and then post the amount as it should have been posted.

Errors in the Journal can be, in many cases, corrected by canceling one or two figures with a pencil, and writing the correct ones above.

When a Journal entry has not been posted at the proper time, do not make the date column of your Ledger show dates improperly, as, for example, that March comes after April, but post the entry under the date of the last entry, giving the proper date, in parentheses, to right of explanation column; thus: (March 10).

DIAGRAM FOR BLACKBOARD.



PRINCIPLES AND RULES.

EXAMPLES OF JOURNALIZING.

DAY BOOK RECORD.		JOURNAL ENTRY.		
1. C. P. Evans commenced business this day, with Cash.....	1200	1. Cash.....	1200	
		C. P. Evans.....		1200
2. C. P. Evans commenced business with Resources as follows:		2. Cash.....	700	
Cash, per C. B.....$700		Bills Rec.....	300	
Notes, per B. B..... 300		J. F. Utter....	150	
J. F. Utter owes on a/c 150		Mdse.....	900	
Mdse., per I. B. 900	2050	C. P. Evans		2050
3. C. P. Evans commenced business with Resources and Liabilities as follows:		3. Mdse	900	
Resources.		Cash	500	
Mdse., per I. B.....$900		Bills Rec	400	
Cash, per C. B..... 500		Frank Graham	200	
Notes, per B. B..... 400		C. P. Evans.		2000
Frank Graham owes on a/c.. 200	2000	"		
Liabilities.		C. P. Evans.....	530	
Jas. Nunnelly, due him on a/c 180		Jas. Nunnelly . ..		180
Bills Payable, per B. B..... 350	530	Bills Pay..		350
4. Bo't of Lucius Allen, for cash,		4. Mdse	1200	
200 bbls. Flour, @ $6.....	1200	Cash..		1200
5. Sold H. Witherspoon, for cash,		5. Cash..	800	
100 bbls. Beef, @ $8....	800	Mdse.....		800
6. Bo't of R. D. Sinnott, on a/c,		6. Mdse	75	
500 # Dried Prunes, @ 15¢.....	75	R. D. Sinnott....		75
7. Sold Ida Jones, on note at 90 ds.,		7. Bills Rec.....	500	
50 bbls. Flour, @ $6.....$300		Mdse		500
10 bbls. Beef, @ $20 200	500			
8. Bo't of Frank Canch, on note at 60 ds.,		8. Mdse	220	
200 # Lima Beans, @ 5¢...$ 10		Bills Pay		220
1,400 # Dried Peaches, @ 15¢ 210	220			
9. Paid rent for store, in cash	40	9. Expense.....	40	
		Cash.....		40
10. Rec'd of G. W. Koch, cash on a/c.....	100	10. Cash	100	
		G. W. Koch		100

DAY BOOK RECORD.		JOURNAL ENTRY.		
11. Sold Marine Gage,		11. Cash	150	
25 bbls. Beef, @ $20	500	Marine Gage	350	
Rec'd in payment, cash $150		Mdse.		500
Balance on account 350				
12. Bo't of Kate Bromley,		12. Mdse	125	
500 ℔ Raisins, @ 25¢	125	Bills Pay		100
Gave my note for $100		Kate Bromley		25
Balance on a/c 25				
13. Paid my note of the 5th inst., favor of Fanny Stockton, in cash	150	13. Bills Pay	150	
		Cash		150
14. Bo't safe for office, and paid cash	300	14. Expense	300	
		Cash		300
15. Paid Arthur Braly, to apply on		15. Arthur Braly	300	
account, cash	100	Cash		100
My note at 30 ds	200	Bills Pay		200
16. Sold my office safe to W. B. Zimmerman, and received his note at 60 ds	250	16. Bills Rec	250	
		Expense		250
17. Rec'd of Martha Bradley, to balance account,		17. Cash	100	
Cash	100	Bills Rec	200	
Note at 60 ds	200	Martha Bradley		300
18. Paid my note of 10th inst., favor of Mary Young, with interest,		18. Bills Pay	290	
in cash	300	Interest	10	
Face of Note $290		Cash		300
Interest to date 10				
19. Prepaid my note of 8th inst., favor Agnes Spatz	280	19. Bills Pay	280	
Discount off, 20 ds $ 6		Discount		6
Paid balance in cash 274		Cash		274
20. Mary Harriman prepaid her note		20. Discount	12	
of 1st inst	312	Cash	300	
Discount off, 1 mo. $ 12		Bills Rec		312
Rec'd balance in cash 300				
21. Accepted Dora Perry's draft on		21. Dora Perry	250	
me for	250	Bills Pay		250

DAY BOOK RECORD.		JOURNAL ENTRY.		
22. We hold a note against John Doe, and we learn that he died on the 5th inst., insolvent.		22. Loss and Gain	200	
Face of Note	200	Bills Rec		200
		NOTE.—When we have several bad notes and accounts, open an account with "Lost Notes and Accounts," and charge that acc't with the 22d and 23d, instead of Loss and Gain.		
23. Richard Roe has failed in business, and we have lost his acc't.		23. Loss and Gain	100	
Amt	100	Richard Roe		100
24. Sold Carrie Claypool,		24. Mdse	3	
100 # Sugar, @ 12¢	12	Cash	9	
Rec'd 10 # Eggs, @ 30¢ $3		Mdse		12
Cash for balance 9				
25. Exchanged Notes with John A. Price for mutual accommodation.		25. Bills Rec	200	
Face of each Note	200	Bills Pay		200
26. Gave Robert Adcock an order on A. M. Falkner, for Mdse	25	26. Robt. Adcock	25	
		A. M. Falkner		25
27. Rec'd an order, signed by W. H. Bailey, requesting us to let Frank Porter have Mdse	30	27. W. H. Bailey	30	
		Mdse		30
28. Bo't a bill of Mdse. of H. W. Prouse, and sent him a sight draft on Braly & Co. for the amt.	300	28. Mdse	300	
		Braly & Co. Sight Draft.		300
29. Rec'd from John Bull, a Bill of Exchange, at 30 ds. to balance his acc't. Amt. of Bill	500	29. Bills Rec	500	
		John Bull		500
30. Paid Clerk's salary by check on Bank of San Jose	80	30. Expense	80	
		Bank San Jose		80
31. Accepted W. B. Zimmerman's draft on us at 10 days' sight, favor of F. S. Conn	100	31. W. B. Zimmerman	100	
		Bills Pay		100
32. Prepaid our acceptance in favor F. S. Conn	100	32. Bills Pay	100	
Discount off, 10 ds $ 3		Discount		3
Cash for balance 97		Cash		97
33. Debit the person who draws the draft on you.		33. Credit the person on whom you draw a draft.		

DAY BOOK.

SET 1.] *SITKA, May 1, 1884.*

HERBERT BUSHNELL commenced business by investing as follows:					
Merchandise, per I. B.			1000		
Cash.			800		
Note, per B. B.			200		2000
2.					
Bo't of Oliver Webb,					
40 prs. Blankets, @ $6			240		
100 ⅄ Sheeting, @ 15¢			15		255
Paid cash	$ 80.				
Balance on a/c	175.				
〃					
Sold Loyd Childs, on a/c,					
1 Otter Cap			3	50	
5 Seal Skins, @ $5.50			27	50	31
〃					
Sold James Low, on note, at 60 days,					
6 prs. Blankets, @ $10			60		
1 Beaver Robe			40		100
〃					
Cash sales to-day					45
3.					
Paid cash for insurance					12 50
〃					
Rec'd cash of Loyd Childs, on a/c					10
〃					
Rec'd Cash of Arthur Knox, part payment of his note of 1st inst.					50
〃					
Sold Loyd Childs, on a/c,					
4 Bear Skins, @ $18					72
〃					
Sold Oliver Webb, on a/c,					
1 case Salmon					75
〃					
Cash sales to-day					60
4.					
Paid Oliver Webb, cash on a/c					70
〃					
Bo't of Whale & Co., on our note at 30 days,					
Invoice of Mdse					200
					2980 50
Inventory.—Mdse., $1,190.					

95	Mdse	1000	
95	Cash	800	
95	Bills Rec	200	
95	Herbert Bushnell		2000
	2.		
95	Mdse	255	
95	Cash		80
95	Oliver Webb		175
	"		
96	Loyd Childs	31	
95	Mdse		31
	"		
95	Bills Rec	100	
95	Mdse		100
	"		
95	Cash	45	
95	Mdse		45
	3.		
96	Expense	12 50	
95	Cash		12 50
	"		
95	Cash	10	
96	Loyd Childs		10
	"		
95	Cash	50	
95	Bills Rec		50
	"		
96	Loyd Childs	72	
95	Mdse		72
	"		
95	Oliver Webb	75	
95	Mdse		75
	"		
95	Cash	60	
95	Mdse		60
	4.		
95	Oliver Webb	70	
95	Cash		70
	"		
95	Mdse	200	
96	Bills Payable		200
		2980 50	2980 50

LEDGER.

Set 1.] *HERBERT BUSHNELL.*

1884						1884					
May	5	*Balance*		*2105*	*50*	May	1	Sundries	94	2000	
						"	5	Loss and Gain		105	50
				2105	50					2105	50

MERCHANDISE.

1884						1884					
May	1	Herbert Bushnell	94	1000		May	2	Loyd Childs	94	31	
"	2	Sundries	94	255		"	2	Bills Rec	94	100	
"	4	Bills Pay	94	200		"	2	Cash	94	45	
"	5	*Loss and Gain*		*118*		"	3	Loyd Childs	94	72	
						"	3	Oliver Webb	94	75	
						"	3	Cash	94	60	
						"	5	*Balance*		*1190*	
				1573						1573	

CASH.

1884						1884					
May	1	Herbert Bushnell	94	800		May	2	Mdse	94	80	
"	2	Mdse	94	45		"	3	Expense	94	12	50
"	3	Loyd Childs	94	10		"	4	Oliver Webb	94	70	
"	3	Bills Rec	94	50		"	5	*Balance*		*802*	*50*
"	3	Mdse	94	60							
				965						965	

BILLS RECEIVABLE.

1884						1884					
May	1	Herbert Bushnell	94	200		May	3	Cash	94	50	
"	2	Mdse	94	100		"	5	*Balance*		*250*	
				300						300	

OLIVER WEBB.

1884						1884					
May	3	Mdse	94	75		May	2	Mdse	94	175	
"	4	Cash		70							
"	5	*Balance*		*30*							
				175						175	

LEDGER.

SET 1.]

LOYD CHILDS.

1884						1884					
May	2	Mdse	94	31		May	3	Cash	94	10	
"	3	Mdse	94	72		"	*5*	*Balance*		*93*	
				103						103	

BILLS PAYABLE.

1884						1884					
May	*5*	*Balance*		*200*		May	4	Mdse	94	200	

EXPENSE.

1884						1884					
May	3	Cash	94	12	50	*May*	*5*	*Loss and Gain*		*12*	*50*

LOSS AND GAIN.

1884						1884					
May	5	Expense		12	50	May	5	Mdse		118	
"	*5*	*Herbert Bushnell*		*105*	*50*						
				118						118	

BALANCE.

1884						1884					
May	5	Mdse		1190		May	5	Oliver Webb		30	
"	5	Cash		802	50	"	5	Bills Pay		200	
"	5	Bills Rec		250		"	5	Herbert Bushnell		2105	50
"	5	Loyd Childs		93							
				2335	50					2335	50

TRIAL BALANCE.

Face of the Ledger.	DR.	CR.
Herbert Bushnell		2000
Mdse	1455	383
Cash	965	162 50
Bills Rec	300	50
Oliver Webb	145	175
Loyd Childs	103	10
Bills Pay		200
Expense	12 50	
	2980 50	2980 50

MODEL SET II.

The books of this set are the Journal-Day Book, the Ledger, Cash Book, and Bill Book. Methods of combining Day Book and Journal are shown on p. 98, and on pp. 99 and 100. On p. 100, a third column is added, for the Sales Book.

San Francisco, Jan. 2, 1884. Marine Gage and C. W. Mills commenced business as partners, under the firm name of Gage & Mills.

Marine Gage invests *Mdse.*, $1500; *cash*, $1000; his liabilities, which the firm agrees to assume, consist of a *note*, favor of Clara Shaw, dated Dec. 1, '83, at 60 ds., amt. $200.

C. W. Mills invests *cash*, $2000; *note* for $300, against C. F. Neil, dated Jan. 2, '84, at 30 ds.

Jan. 2. Bo't of H. D. Hollingsworth, for cash, a bill of Mdse., $900. Sold Mabel Field, on *a/c*, 1 shawl, $10; 18 *m* Parsee cloth, @ 90¢; 1 pr. gloves, $1.75. Sold H. R. Bailey, on note at 60 ds., bill of Mdse., $175. Cash sales to-day, $70. 3. Paid cash for insurance, $15.25. Sold Eva Hasty, on *a/c*, bill of Mdse., $60. Sold Hiram Pawley a bill of Mdse., $120; rec'd cash, $80;—balance on *a/c*. Paid cash for stationery and stamps, $6.25. Cash sales to-day, $65.50. 4. Sold Eva Hasty, on *a/c*, 1 pr. gaiters, $3.25; 18 *m* Pacific lawns, @ 50¢. Sold Henry Hardcase, on *a/c*, a bill of Mdse., $75. Rec'd of C. F. Neil, in part payment of her note of 1st inst, $200. Cash sales to-day, $40. 5. Sold Peter Tramp, on note at 60 ds., bill of Mdse., $100. Deposited $2000 in Commercial Bank. Paid clerk's salary, $70, by check on Commercial Bank. Cash sales to-day, $60. 6. Bo't of Frank Porter, a bill of Mdse., $150; gave him, in part payment, C. F. Neil's note,—amt. still due on it, $100;—balance on *a/c*. Paid rent for store, $40, by check on Commercial Bank. Deposited in the bank, $80. Cash sales to-day, $35. 8. Rec'd cash on *a/c*, of Mabel Field, $12. Discounted Gage's note, favor Clara Shaw, and paid for same by check on Commercial Bank, $192. Sold Hiram Pawley, on *a/c*, a bill of Mdse., $80. Cash sales to-day, $61.10. 9. Henry Hardcase died, insolvent, on the 6th inst., and Peter Tramp absconded on the 7th. Sold Eva Hasty, on *a/c*, a bill of Mdse., $30. Cash sales to-day, $58. 10. Sold Mabel Field, on *a/c*, a bill of Mdse., $40. Took an inventory, and found Mdse. on hand, $1480

SET 2.] *SAN FRANCISCO, January 2, 1884.* DR. CR.

	Commenced business as per agreement in M. B.			
√	Cash,	On hand,	1000	
101	Mdse.,	In store,	1500	
101	Marine Gage,	Investment,		2500
		〃		
101	Marine Gage,	Note, favor Clara Shaw, dated	200	
102	Bills Payable,	[Dec. 1, '83, at 60 ds.		200
		〃		
√	Cash,	On hand,	2000	
102	Bills Receivable,	Note, as per B. B.	300	
101	C. N. Mills,	Investment,		2300
		〃		
101	Mdse.,	Bo't of H. D. Hollingsworth,	900	
√	Cash,	[as per I. B.		900
		〃		
102	Mabel Field,	1 Shawl, - - - $10.	27 95	
		18 ⅌ Parsee cloth, @ 90¢ 16.20		
101	Mdse.,	1 pr. Gloves, - - 1.75		27 95
		〃		
102	Bills Receivable,	Sold H. R. Bailey on note,	175	
101	Mdse.,	[as per B. B.		175
		〃		
√	Cash,	Cash sales,	70	
101	Mdse.,			70
		3.		
102	Expense,	Paid for Insurance,	15 25	
√	Cash,			15 25
		〃		
102	Eva Hasty,	Bill of Mdse.,	60	
101	Mdse.,			60
		〃		
√	Cash,	Sold H. Pawley, Mdse, and	80	
103	Hiram Pawley,	[received part payment,	40	
101	Mdse.,			120
		〃		
102	Expense,	Paid for stationery and stamps,	6 25	
√	Cash,			6 25
		〃		
√	Cash,	Cash sales,	65 50	
101	Mdse.,			65 50
		Amt. forward, - -	6439 95	6439 95

JOURNAL-DAY BOOK.

SAN FRANCISCO, January 4, 1884.

		DR.		CR.	
	Forward	6439	95	6439	95
102	Eva Hasty	12	25		
101	Mdse.				
	1 pr. Gaiters $3.25				
	18 ⅌ Pacific Lawns, @ 50¢ 9.			12	25
	〃				
103	Henry Hardcase	75			
101	Mdse			75	
	Bill of Mdse.				
	〃				
√	Cash	200			
102	Bills Receivable			200	
	Rec'd of C. F. Neil in part pay't of her acc't.				
	〃				
√	Cash	40			
101	Mdse			40	
	Cash sales.				
	5.				
102	Bills Receivable	100			
101	Mdse			100	
	Sold Peter Tramp on note at 60 ds.				
	〃				
102	Commercial Bank	2000			
√	Cash			2000	
	Deposited in bank.				
	〃				
102	Expense	70			
102	Commercial Bank			70	
	Paid clerk's salary, by check.				
	〃				
√	Cash	60			
101	Mdse.			60	
	Cash sales.				
	6.				
101	Mdse	150			
102	Bills Receivable			100	
103	Frank Porter			50	
	Bo't Mdse. of L. Porter, and gave him C. F. Neil's note,—amt. still due on it, $100;—bal. on ⅌.				
	〃				
102	Expense	40			
102	Commercial Bank			40	
	Paid rent of store, by check.				
	Amt. forward	9187	20	9187	20

JOURNAL-DAY BOOK.

SET 2.] *SAN FRANCISCO, Jan. 6, 1884.*

		Dr.		Cr.		Mdse. Sales.	
	Forward....	9187	20	9187	20		
102	Commercial Bank	80					
✓	Cash			80			
	Deposited in bank.						
	〃						
✓	Cash	35					
101	Mdse			35		35	
	Cash sales.						
	8.						
101	Cash	12					
101	Mabel Field			12			
	Rec'd on a/c.						
	〃						
102	Bills Payable	200					
103	Discount			8			
102	Commercial Bank			192			
	Discounted Gage's note, favor Clara Shaw, and gave check on bank.						
	〃						
103	Hiram Pawley	80					
101	Mdse			80		80	
	Sold him on a/c.						
	〃						
✓	Cash	61	10				
101	Mdse			61	10	61	10
	Cash sales.						
	9.						
102	Eva Hasty	30					
101	Mdse			30		30	
	Sold her on a/c.						
	〃						
✓	Cash	58					
101	Mdse			58		58	
	Cash sales.						
	10.						
101	Mabel Field	40					
101	Mdse			40		40	
	Sold her on a/c.						
		9783	30	9783	30	304	10

LEDGER.

SET 2.] *MARINE GAGE.*

1884						1884					
Jan.	2	Bills Payable.....	98	200		Jan.	2	Investment.....	98	2500	
"	11	½ Loss and Gain ...L	103	129	35						
"	*11*	*Balance*.....L	103	*2170*	*65*						
				2500						2500	

C. N. MILLS.

1884						1884					
Jan.	11	½ Loss and Gain ...L	103	129	35	Jan.	2	Investment.....	98	2300	
"	*11*	*Balance* L	103	*2170*	*65*						
				2300						2300	

MDSE.

1884						1884					
Jan.	2	Marine Gage.....	98	1500		Jan.	2	Mabel Field.....	98	27	95
"	2	Cash.....	98	900		"	2	Bills Receivable....	98	175	
"	6	Sundries.....	99	150		"	2	Cash	98	70	
"	*11*	*Loss and Gain*.....L	103	*39*	*80*	"	3	Eva Hasty.....	98	60	
						"	3	Sundries.....	98	120	
						"	3	Cash.....	98	65	50
						"	4	Eva Hasty	99	12	25
						"	4	H. Hardcase.....	99	75	
						"	4	Cash.....	99	40	
						"	5	Bills Receivable	99	100	
						"	5	Cash	99	60	
						"	6	Cash	100	35	
						"	8	H. Pawley.....	100	80	
						"	8	Cash	100	61	10
						"	9	Eva Hasty.....	100	30	
						"	9	Cash.....	100	58	
						"	10	Mabel Field.....	100	40	
						"	*11*	*Balance*.....L	103	*1480*	
				2589	80					2589	80

BILLS PAYABLE.

1884						1884					
Jan.	8	Sundries.....	100	200		Jan.	2	Marine Gage	98	200	

LEDGER.

SET 2.] *BILLS RECEIVABLE.*

1884						1884					
Jan.	2	C. N. Mills	98	300		Jan.	4	Cash	99	200	
"	2	Mdse	98	175		"	6	Mdse	99	100	
"	5	"	99	100		"	*11*	*L. & G.*, [Tramp's Note.]	L103	*100*	
						"	*11*	*Balance*	L103	*175*	
				575						575	

EXPENSE.

1884						1884					
Jan.	3	Cash	98	15	25	*Jan.*	*11*	*Loss and Gain*	L103	*131*	*50*
"	3	"	98	6	25						
"	5	Commercial Bank	99	70							
"	6	" "	99	40							
				131	50					131	50

MABEL FIELD.

1884						1884					
Jan.	2	Mdse	98	27	95	Jan.	8	Cash	100	12	
"	10	"	100	40		"	*11*	*Balance*	L103	*55*	*95*
				67	95					67	95

EVA HASTY.

1884						1884					
Jan.	3	Mdse	98	60		*Jan.*	*11*	*Balance*	L103	*102*	*25*
"	4	"	99	12	25						
"	9	"	100	30							
				102	25					102	25

COMMERCIAL BANK.

1884						1884					
Jan.	5	Cash	99	2000		Jan.	5	Expense	99	70	
"	6	"	100	80		"	6	"	99	40	
						"	8	Bills Payable	100	192	
						"	*11*	*Balance*	L103	*1778*	
				2080						2080	

SET 2.] *HIRAM PAWLEY.*

1884						1884					
Jan.	3	Mdse	98	40		*Jan.*	*11*	*Balance* L	1C3	*120*	
"	8	"	100	80							
				120						120	

DISCOUNT AND INTEREST.

1884						1884					
Jan.	*11*	*Loss and Gain* L	103	*8*		Jan.	8	Bills Payable	100	8	

HENRY HARDCASE.

1884						1884					
Jan.	4	Mdse	99	75		*Jan.*	*11*	*Loss and Gain* L	103	*75*	

FRANK PORTER.

1884						1884					
Jan.	*11*	*Balance* L	103	*50*		Jan.	6	Mdse	99	50	

LOSS AND GAIN.

1884						1884					
Jan.	11	Expense L	102	131	50	Jan.	11	Mdse L	101	39	80
"	11	H. Hardcase L	103	75		"	11	Disct. and Int. L	103	8	
"	11	Bills Receivable L	102	100		"	*11*	*Gage & Mills* L	101	*258*	*70*
				306	50					306	50

BALANCE.

1884						1884					
Jan.	11	Mdse L	101	1480		Jan.	11	Frank Porter L	103	50	
"	11	Bills Receivable L	102	175		"	11	M. Gage's Net Cap. L	101	2170	65
"	11	Mabel Field L	102	55	95	"	11	Mills's Net Cap L	101	2170	65
"	11	Eva Hasty L	102	102	25						
"	11	H. Pawley L	103	120							
"	11	Commercial Bank L	102	1778							
"	11	Cash C. B	106	680	10						
				4391	30					4391	30

BILL

BILLS

[SET

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.	Time to Run.
	1884				1884	
1	Jan. 2	C. W. Mills.	C. F. Neil.	C. W. Mills.	Jan. 2	30 ds.
2	" 2	Gage & Mills.	H. R. Bailey.	Gage & Mills.	" 2	60 ds.
3	" 5	Gage & Mills.	Peter Tramp.	Gage & Mills.	" 5	60 ds.

BILLS

[SET

No.	When Issued.	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.	Time to Run.
	1883				1883	
1	Dec. 1	Clara Shaw.	Marine Gage.	Clara Shaw.	Dec. 1	60 ds.

BILL

BILLS

[SET

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.	Time to Run.
	1884				1884	
1	July 1	H. Witherspoon.	W. Zimmerman.	H. Witherspoon.	Jun. 1	3 mos.
2	" 2	W. & Locke.	Annie Girdner.	W. & Locke.	July 2	60 ds.
3	" 4	W. & Locke.	Simon Crafty.	W. & Locke.	" 4	60 ds.

BILLS

[SET

No.	When Issued.	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.	Time to Run.
	1884				1884	
1	Jun. 15	John Van Eaton.	W. W. Locke.	John Van Eaton.	Jun. 15	90 ds.
2	July 3	John Van Eaton.	W. & Locke.	John Van Eaton.	July 3	30 ds.

BOOK.

2.] *RECEIVABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
San Francisco.	1884		1											300	Paid.
San Francisco.	1884			2										175	
San Francisco.	1884			5										100	Lost.

2.] *PAYABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
San Francisco.	1884	30												90	Paid.

BOOK.

3.] *RECEIVABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
San Francisco.	1884									1				300	Paid.
San Francisco.	1884								31					127	
San Francisco.	1884									2				142 50	Lost.

3.] *PAYABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
San Francisco.	1884									13				350	Paid.
San Francisco.	1884								2					140	

CASH BOOK.

SET 2.]

			DR.		CR.	
1884						
Jan.	1	Amount on hand	3000			
"	2	Paid H. D. Hollingsworth for Mdse.			900	
"	2	Received for Mdse	70			
"	3	Paid for Insurance			15	25
"	3	Received of H. Pawley, on a/c	80			
"	3	Paid for Stationery and Stamps			6	25
"	3	Received for Mdse	65	50		
"	4	Received of C. F. Neil, on Note	200			
"	4	Received for Mdse	40			
"	5	Deposited in Commercial Bank			2000	
"	5	Received for Mdse	60			
"	6	Deposited in Bank			80	
"	6	Received for Mdse	35			
"	8	Received of Mabel Field, on a/c	12			
"	8	Received for Mdse	61	10		
"	9	Received for Mdse	58			
"	*11*	*Balance*			*680*	*10*
			3681	60	3681	60

SET 2.]

TRIAL BALANCE.

Jan. 11, 1884.	FACE OF LEDGER.				BALANCES.			
	DR.		CR.		DR.		CR.	
Marine Gage	200		2500		2300			
C. W. Mills			2300		2300			
Mdse	2550		1109	80			1440	20
Bills Payable	200		200					
Bills Receivable	575		300				275	
Expense	131	50					131	50
Mabel Field	67	95	12				55	95
Eva Hasty	102	25					102	25
Hiram Pawley	120						120	
Discount and Interest			8		8			
Commercial Bank	2080		302				1778	
H. Hardcase	75						75	
Frank Porter			50		50			
Cash	3681	60	3001	50			680	10
	9783	30	9783	30	4658		4658	

MODEL SET III.

In this set a Journal-Day Book, a Cash Book, Bill Book, Invoice Book, and Ledger will be kept. We shall post from the Journal and Cash Book.

The Journal, in this set, has four columns. It is readily apparent that this plan of increasing the number of columns in the Journal may be extended so as to make six, eight, ten, or even more of these special columns available for three, four, five, or more repeatedly occurring species of Mdse. or other principal items of exchange.

Many book-keepers use six columns, and keep an account with Cash in the Journal; but as we are, in this set, to post from the Cash Book, it will be a saving of time to omit Cash from the Journal. The advantage of using this form of the Journal is in the saving of time and labor in posting, as only the *footings* of these columns are posted—daily, weekly, or monthly, as desired. All items for which no special columns have been provided, are placed in the General or Sundries column, and each of these items is separately transferred to the Ledger, as in posting from the ordinary Journal.

All bills of Mdse. bought are pasted in the Invoice Book, as in Set III, p. 71, of Single Entry. The debit column of Mdse. in the Journal contains the same amounts as the Invoice Book; consequently, we need not post from the Invoice Book. The Sales Book is seldom kept, except in wholesale or large retail establishments.

San Francisco, July 1, 1884. Henry Witherspoon and W. W. Locke commenced business as partners, under the firm name of Witherspoon & Locke. Gains and losses to be equally divided.

Henry Witherspoon invests *cash*, $3500; Wm. B. Zimmerman's *note*, his favor, dated June 1, '84, at 3 mos., for $300; balance due on %, from Frank Herbert, $200.

W. W. Locke invests *cash*, $1500; *Mdse*, $1000; and the firm agrees to assume the following liabilities of W. W. Locke: *note* held by John Van Eaton for $350, dated June 15, '84, at 90 ds.; a personal account due Oliver Webb, amt. $150.

July 2. Deposited $4800 in Commercial Bank. Bo't of Votaw & Co., a bill of Mdse., as per invoice, $1450; gave check on Com-

mercial Bank for $950;—balance on %. Sold Mary Kelsey, on %, 20 # black velvets, @ 75¢; 50 # linen lawns, @ 25¢; 1 shawl, $30; 6 prs. ladies' kid gloves, @ 95¢; 2 prs. ladies' French kid shoes, @ $4.50. Paid cash for account books, $12.50. Rec'd cash, on %, of Frank Herbert, $60. Sold Annie Girdner, on note at 60 ds., 20 # French silk, @ $3; 25 # polonaise suitings, @ 75¢; 1 Thibet shawl, $25; 30 # Rhadama cloth, @ 45¢; 50 # calico, @ 6½¢; 2 ladies' hats, @ $3.25. Cash sales, $90. In counting the cash we found a $20 counterfeit bill. 3. Discounted W. W. Locke's note, favor of J. Van Eaton, paying cash, $200, and giving the firm's note, at 30 ds., for the balance, $140. Bo't a safe for the store and paid for it, by check on Commercial Bank, $500. Gave Oliver Webb an order on Mary Kelsey for $30. Cash sales, $85.50. 4. Sold Simon Crafty, on his note at 60 ds., 50 # Brussels carpet, @ $2.25; 10 # broadcloth, @ $2.50; 1 pr. boots, $5. Sold Geo. Aimless, on %, 1 pr. alligator boots, $16; 9 # broadcloth, @ $2.50; 6 prs. hose, @ 45¢; 1 hat, $3. Loaned V. Dornberger, cash, $25. Cash sales, $81.10. 5. Deposited in Commercial Bank, cash, $125. Sold Peter Nasby, 50 prs. Oxford shoes, @ $3.50; 25 prs. French ties, @ $3; 25 prs. slippers, @ 50¢; rec'd cash $100;—balance on %. Paid clerk's salary by check on Commercial Bank, $75. Cash sales, $73.50. 6. Burglars broke into the store and took from the till, cash, $90. Sold Oliver Webb, on %, 2 prs. kip brogans, @ $3.50; 1 hat, $3.75; 5 # broadcloth, @ $2.50; 1 rubber coat, $6.50; ½ doz. linen hdkfs., @ $4.80; 1 neck-tie, 50¢. Discounted Wm. B. Zimmerman's note at Odd-Fellows' Bank, and rec'd cash, $285. Cash sales, $97. 8. Bo't of Votaw & Co., on %, a bill of Mdse., as per invoice, $150. Bo't of Jones & Co., for cash, 5 tons of coal, @ $14. Cash sales, $128. 9. John Carpenter has worked 2½ days, @ $3, repairing store, and we have paid him in Mdse. Henry Witherspoon has taken Mdse. to date, valued at $88. Simon Crafty has failed, and we have lost the amount of his note. Geo. Aimless has absconded and we have lost his account. Cash sales, $86.80. 10. Sold Peter Nasby, on %, 120 # Merrimack cambric, @ 15¢; 50 # Ky. jean, @ 30¢; 25 # cashmere, @ $1; 50 # gingham, @ 8¢. Paid cash for rent of store, $60. Took an inventory, and found Mdse. on hand, $1791: office safe valued at $475, and coal, $40.

JOURNAL-DAY BOOK.

SET 3.] *SAN FRANCISCO, July 1, 1884.*

MDSE. DR.	SUNDRIES. DR.	L. P.		L. P.	SUNDRIES. CR.	MDSE. CR.
			HENRY WITHERSPOON and W. W. LOCKE commence business with the following Resources and Liabilities:			
	3500	✓	CASH, on hand,			
	300	113	BILLS RECEIVABLE, W. B. Zimmerman's note,			
	200	113	FRANK HERBERT, due on a/c,			
			HENRY WITHERSPOON.....	113	4000	
			"			
	1500	✓	CASH, on hand,			
1000		113	MDSE., in store,			
			W. W. LOCKE.....	113	2500	
			"			
	500	113	W. W. LOCKE, BILLS PAYABLE, J. Van Eaton's note.	113	350	
			OLIVER WEBB, on a/c.....	114	150	
			2.			
1450		113	MDSE., COMMERCIAL BANK.....	115	950	
			VOTAW & Co.	114	500	
			Bo't as per I. B.			
			"			
	72 20	115	MARY KELSEY, MDSE.....	113		
			20 ¾ Black Velvets, @ 75¢.....$15.			
			50 ¾ Linen Lawns, 25¢..... 12.50			
			1 Shawl, ... 30.			
			6 prs. Ladies' Kid Gloves, 95¢..... 5.70			
			2 prs. Ladies' French Kid Shoes, $4.50 ..... 9.			72 20
2450	607 20		Amounts forward, - - - -		8450	72 20

JOURNAL-DAY BOOK.

SET 3.] *SAN FRANCISCO, July 2, 1884.*

MDSE. DR.	SUNDRIES. DR.	L. P.		L. P.	SUNDRIES. CR.	MDSE. CR.
2450	6072 20		Forward - - - -		8450	72 20
	127	113	BILLS RECEIVABLE, MDSE.	113		
			Sold Annie Girdner, note at 60 ds.			
			20 ⁄ French Silk, @ $3. .....$60.			
			25 ⁄ Polonaise Suitings, 75¢..... 18.75			
			1 Thibet Shawl, ... 25.			
			30 ⁄ Rhadama Cloth, 45¢..... 13.50			
			50 ⁄ Calico, 6½¢..... 3.25			
			2 Ladies' Hats, 3.25 ..... 6.50			127
			3.			
	350	113	BILLS PAYABLE, DISCOUNT AND INTEREST.....	115	10	
			CASH.....	✓	200	
			BILLS PAYABLE.....	113	140	
			Discounted W. W. Locke's note, paying cash, $200, and giving the firm's note for $140.			
	500	115	EXPENSE, COMMERCIAL BANK.....	115	500	
			Bo't safe for store, gave check.			
			"			
	30	114	OLIVER WEBB, MARY KELSEY.....	115	30	
			Gave Webb order on M. Kelsey, $30.			

				4.					
		142	50	113	BILLS RECEIVABLE, MDSE.		113		
					Sold Simon Crafty, note at 60 days.				
					50 ⅄ Brussels Carpet,	@ $2.25 ..... $112.50			
					10 ⅄ Broadcloth,	2.50 ..... 25.			
					1 pr. Boots,	..... 5.			142 50
					"				
		44	20	115	GEO. AIMLESS, MDSE.		113		
					1 pr. Alligator Boots,	..... $16.			
					9 ⅄ Broadcloth,	@ $2.50 ..... 22.50			
					6 prs. Hose,	45¢ 2.70			
					1 Hat,	..... 3.			44 20
				5.					
		162	50	115	PETER NASBY, MDSE.		113		262 50
		100		✓	CASH,				
					"				
		75		115	EXPENSE, COMMERCIAL BANK		115	75	
					Paid clerk's salary, by check.				
				6.					
		32	65	114	OLIVER WEBB, MDSE.		113		
					2 prs. Kip Brogans,	@ $3.50 ..... $ 7.			
					1 Hat,	..... 3.75			
					5 ⅄ Broadcloth,	..... 12.50			
					1 Rubber Coat,	..... 6.50			
					½ ⅄ Linen Hdkfs.,	4.80 ..... 2.40			
					1 Neck-tie,	..... .50			32 65
					"				
		15		115	DISCOUNT AND INTEREST, BILLS RECEIVABLE		113	300	
		285		✓	CASH,				
					Discounted Wm. B. Zimmerman's note, at Odd-Fellows' Bank.				
2450		7936	05		Amounts forward, - - - -			9705	681 05

JOURNAL-DAY BOOK.

SAN FRANCISCO, July 8, 1884.

MDSE. DR.	SUNDRIES. DR.	L. P.		L. P.	SUNDRIES. CR.	MDSE. CR.
2450	7936 05		Forward - - - -		9705	681 05
150		113	MDSE, VOTAW & Co.....	114	150	
			Bo't as per I. B.			
	7 50	115	EXPENSE, MDSE.....	113		7 50
			John Carpenter worked 2½ days at $3, repairing street; paid in Mdse.			
			"			
	88	113	HENRY WITHERSPOON, MDSE.....	113		88
			Has taken Mdse. from store.			
			"			
			Have lost S. Crafty's note by his failure, also Geo. Aimless's account by his absconding.			
			10.			
	62	115	PETER NASBY, MDSE.....	113		
			120 ⁄ Merrimack Cambric, @ 15¢.....$18.			
			50 ⁄ Ky. Jean, 30¢..... 15.			
			25 ⁄ Cashmere, $1. ..... 25.			
			50 ⁄ Gingham, 8¢..... 4.			62
2600	8093 55				9855	838 55
	2600	113	MDSE.....	113	838 55	
	10693 55				10693 55	

LEDGER.

HENRY WITHERSPOON.

1884						1884					
July	9	Mdse	112	88		July	1	Investment	109	4000	
"	*10*	*Balance* L	114	*3991*	*87*	"	10	Loss and Gain L	114	79	87
				4079	87					4079	87

W. W. LOCKE.

1884						1884					
July	1	Sundries	109	500		July	1	Investment	109	2500	
"	*10*	*Balance* L	114	*2079*	*88*	"	10	Loss and Gain L	114	79	88
				2579	88					2579	88

MERCHANDISE.

1884						1884					
July	10	Sundries	112	2600		July	10	Sundries	112	838	55
"	*10*	*Loss & Gain* L	114	*671*	*45*	"	10	Cash C. B	116	641	90
						"	*10*	*Balance* L	114	*1791*	
				3271	45					3271	45

BILLS RECEIVABLE.

1884						1884					
July	1	H. Witherspoon	109	300		July	6	Sundries	111	300	
"	2	Mdse	110	127		"	10	Loss and Gain L	114	142	50
"	4	"	111	142	50	"	*10*	*Balance* L	114	*127*	
				569	50					569	50

BILLS PAYABLE.

1884						1884					
July	3	Sundries	110	350		July	1	W. W. Locke	109	350	
"	*10*	*Balance* L	114	*140*		"	3	Bills Payable	110	140	
				490						490	

FRANK HERBERT.

1884						1884					
July	1	H. Witherspoon	109	200		July	2	Cash C. B	116	60	
						"	*10*	*Balance* L	114	*140*	
				200						200	

SET 3.] *V. DORNBERGER.*

1884							1884					
July	4	Cash..... C. B	116	25			*July*	*10*	*Balance*..... L	114	25	

LOSS AND GAIN.

1884							1884					
July	2	Cash..... C. B	116	20			July	10	Mdse..... L	113	671	45
"	6	" ..... C. B	116	90								
"	10	Bills Receivable... L	113	142	50							
"	10	Disct. and Int..... L	115	5								
"	10	Geo. Aimless..... L	115	44	20							
"	10	Expense..... L	115	210								
"	10	*Stock*..... L	113	*159*	*75*							
				671	45						671	45

BALANCE.

1884							1884					
July	10	Cash..... C. B	116	684	40		July	10	Bills Payable..... L	113	140	
"	10	Mdse..... L	113	1791			"	10	Oliver Webb..... L	114	87	35
"	10	Bills Receivable... L	113	127			"	10	Votaw & Co..... L	114	650	
"	10	Frank Herbert.... L	113	140			"	10	H. Witherspoon... L	113	3991	87
"	10	Commercial Bank.. L	115	3400			"	10	W. W. Locke..... L	113	2079	88
"	10	Mary Kelsey..... L	115	42	20							
"	10	Peter Nasby..... L	115	224	50							
"	10	Expense..... L	115	515								
"	10	V. Dornberger..... L	114	25								
				6949	10						6949	10

OLIVER WEBB.

1884							1884					
July	3	Mary Kelsey.....	110	30			July	2	W. W. Locke.....	109	150	
"	6	Mdse.....	111	32	65							
"	*10*	*Balance*..... L	114	*87*	*35*							
				150							150	

VOTAW & CO.

1884							1884					
July	*10*	*Balance*..... L	114	*650*			July	2	Mdse.....	109	500	
							"	8	"	112	150	
				650							950	

LEDGER.

COMMERCIAL BANK.

1884							1884					
July	2	Cash.....C. B	116	4800			July	2	Mdse.....	109	950	
"	5	" .....C. B	116	125			"	3	Expense.....	110	500	
							"	5	"	111	75	
							"	*10*	*Balance*.....L	114	*3400*	
				4925							4925	

MARY KELSEY.

1884						1884						
July	2	Mdse	109	72	20	July	3	Oliver Webb.....	110	30	
						"	*10*	*Balance*.....L	114	*42*	*20*
				72	20					72	20

DISCOUNT AND INTEREST.

1884						1884					
July	6	Bills Receivable	111	15		July	3	Bills Payable.....	110	10	
						"	*10*	*Loss and Gain*.....L	114	*5*	
				15						15	

GEO. AIMLESS.

1884						1884					
July	4	Mdse.....	111	44	20	*July*	*10*	*Loss and Gain* L	114	*44*	*20*

PETER NASBY.

1884						1884					
July	5	Mdse.....	111	162	50	*July*	*10*	*Balance* L	114	*224*	*50*
"	10	"	115	62							
				224	50					224	50

EXPENSE.

1884						1884					
July	3	Commercial Bank...	115	500		*July*	*10*	*Balance*.....L	114	*515*	
"	5	" " ...	111	75		"	*10*	*Loss and Gain* L	114	*210*	
"	9	Mdse.....	112	7	50						
"	10	Cash.....C. B	116	142	50						
				725						725	

CASH BOOK.

DR. CR.

DATE.	L.P.		SUNDS.	MDSE.	DATE.	L.P.		SUNDS.	EXP.
1884					1884				
July 1	113	Amt. on hand, invested	5000		July 2	115	Commercial Bank, Deposit	4800	
" 2	113	Frank Herbert, on a/c	60		" 2		Expense, Acct. Books		12 50
" 2		Mdse., Sales		90	" 2	114	Loss and Gain, by counterfeit	20	
" 3		" "		85 50	" 3		W. W. Locke's note, paid.	200	
" 4		" "		81 10	" 4	114	V. Dornberger, Loan	25	
" 5		P. Nasby, on a/c	100		" 5	115	Commercial Bank, Deposit	125	
" 5		Mdse., Sales		73 50	" 6	114	Loss and Gain, by burglars	90	
" 6		W. B. Zimmerman's note, disctd.	285		" 8		Expense, 5 tons Coal, @ $14		70
" 6		Mdse., Sales		97	" 10		" Rent of Store		60
" 8		" "		128		115	Total Expense	142 50	142 50
" 9		" "		86 80			*Total Cash Paid*	*5402 50*	
	113	Total Mdse. Sales	641 90	641 90		114	*Balance, on hand*	*684 40*	
		Total Cash Received	*6086 90*					6086 90	
July 11		Balance, on hand	684 40						

TRIAL BALANCE AND BALANCE SHEET,

SET 3.] *July 10, 1884.*

July 1 to July 10, 1884.	TRIAL BALANCE. FACE OF LEDGER.		RESOURCES.	LIABILITIES.	LOSSES.	GAINS.
	DR.	CR.				
Henry Witherspoon	88	4000				
W. W. Locke	500	2500				
Merchandise	2600	1480 45	*1791*			671 45
Bills Receivable	569 50	300	127		142 50	
Bills Payable	350	490		140		
V. Dornberger	25		25			
Oliver Webb	62 65	150		87 35		
Frank Herbert	200	60	140			
Votaw & Co		650		650		
Commercial Bank	4925	1525	3400			
Mary Kelsey	72 20	30	42 20			
Discount and Interest	15	10			5	
Geo. Aimless	44 20				44 20	
Loss and Gain	110				110	
Peter Nasby	224 50		224 50			
Expense	725		*515*		210	
Cash	684 40		684 40			
	11195 45	11195 45	6949 10	877 35	511 70	671 45

REVIEW QUESTIONS.

1. Define Double Entry Book-keeping. 2. State the main differences between Double and Single Entry Book-keeping. 3. What are the advantages of Double Entry compared with Single Entry? 4. What is meant by a "Set of books?" 5. State the differences between the Double and the Single Entry Day Books. 6. What statement is usually made the first entry in the Double Entry Day Book? 7. What is the Italian system of book-keeping? 8. Define the Journal. 9. What is a Journal-Day Book? 10. What is journalizing? 11. Where are debit items in the Journal placed? 12. Where are credit items in the Journal placed? 13. Why may "Dr." and "To" be omitted from the Journal? 14. How do you make the Day Book explanation in the Journal-Day Book? 15. What is the value of extra columns

in the Journal? 16. What is the principal use of the Ledger? 17. What is the difference between the Single and the Double Entry Ledger? 18. What are found on the debit side of the Ledger; on the credit side? 19. In posting debit items from the Journal, what explanation is used in the Ledger? 20. In posting credit items, what explanation is used? 21. State the use of the Cash Book. 22. Why is it not necessary to keep a cash account in the Ledger? 23. Why should the "cash balance" be entered in the Trial Balance? 24. Define the Sales Book. 25. Why is it seldom used? 26. What is an Invoice Book? 27. State a simple plan of keeping this book. 28. Why must an Invoice Book be kept? 29. What is a Bill Book? 30. From what books may transactions be posted directly to the Ledger? 31. What is the advantage in posting from the C. B., I. B., and S. B.? 32. How many *kinds* of accounts in Double Entry? 33. Name and define the *classes* of accounts. 34. Why do we call one class a Representative or Loss and Gain account? 35. Why is the other class called a Real or Balance account? 36. How do you determine that an account is a Representative account? 37. How do you determine that an account is a Real or Balance account? 38. When does a Balance account show a Resource; when a Liability? 39. When does a Representative account show a Gain; when a Loss? 40. Name the accounts that are usually Balance accounts. 41. Name the accounts that are usually Loss and Gain accounts. 42. What is meant by "Opening a set of books?" and with what is the proprietor debited; with what credited? 43. How is the opening entry made in the Day Book; in the Journal-Day Book? 44. When and why is a "Set of books" closed? 45. Is it necessary to close all the Ledger accounts in order to know the condition of business? 46. What does the debit side of Mdse. account show? 47. What does the credit side show, after the Inventory is entered? 48. What does the debit side of Bills Receivable show; the credit side? 49. What does the debit side of Bills Payable show; the credit side? 50. What is found on the debit side of Expense account; on the credit side? 51. What is a Trial Balance, and why is it taken? 52. How is a Trial Balance made? 53. How is an account in the Ledger closed? 54. Give a statement of the manner of closing

a "Set of books," mentioning the various steps in their order. 55. Why is the Mdse. Inventory entered on the credit side of the Mdse. account? 56. What other accounts may have an Inventory credit? 57. State the use of red ink in Double Entry. 58. Why are the various Inventories placed on the debit side of Balance account? 59. When a Representative account is closed, what is brought down under the rulings? 60. When a Balance account is closed, what is brought down under the rulings? 61. Why are these items brought down, and on which side? 62. When and why is a Loss and Gain account opened? 63. Which side of this account shows gains; which side losses? 64. After closing Loss and Gain account into "Stock," what will the difference between the two sides of Stock account show? 65. When and why is a Balance account opened? 66. What does the debit side of Balance account represent; the credit side? 67. What does the difference between the two sides of Balance account show? 68. Why will Stock account balance after "Loss and Gain" and "Balance" have been closed into it? 69. What term is used to represent the difference between the two sides of an account when you close the account? 70. Illustrate by giving the term generally used in closing Bills Pay., Mdse., Loss and Gain and Balance accounts. 71. Why is it not necessary to open a Balance account at the time of closing the Ledger accounts? 72. What is a Balance Sheet; and when and why is it made out? 73. Why do entries change sides when transferred? 74. Is the proprietor's investment usually considered a Resource, or a Liability to the concern? 75. Give a rule for debiting. 76. Give a rule for crediting. 77. What is the fundamental rule on Double Entry? 78. How do you mark the Day Book entries when they have been transferred to the Journal? 79. How do you mark Journal entries when they have been transferred to the Ledger? 80. Give a list of debits; of credits. 81. Define Mdse. 82. What items are generally included under the term "Expense?" 83. Define the term "Stock." 84. Why is a Bank account not usually kept in the Ledger? 85. What is meant by "discounting a note?" 86. When and why do we debit Discount and Interest? 87. When and why do we credit this account? 88. Why is an account, termed "Lost Accounts and Notes," sometimes opened in

REVIEW QUESTIONS.

the Ledger? 89. If not kept, what is done with worthless personal accounts, and bad notes? 90. Define "Sundries." 91. Why may it be omitted from the Journal? 92. How, and when, is it convenient to use it in the Ledger? 93. Is it ever used as a Ledger heading? 94. Give a full statement of the manner of changing a set of Single Entry books to Double Entry. 95. What is usually done when a new partner is taken into the business? 96. How do you correct errors in the Day Book; in the Journal; in the Ledger? 97. What is an Index? 98. Where, and how, is an Index usually kept? 99. Examine Model Set II, last page of the Journal, and state the benefit of using three columns in the Journal. 100. Examine Model Set III, and state the benefits arising from the use of four columns in the Journal. 101. What is done with the cash transactions in this set? 102. Why does the term "cash" appear at all in the Journal-Day Book of this set? 103. Examine the Cash Book of this set and explain the manner of posting. 104. How many columns may be used in a Journal? 105. Compare the methods of finding Losses and Gains in Single and in Double Entry. 106. Compare the methods of finding the Net Capital at closing in these two systems.

EXERCISES FOR THE STUDENT.

Set 1. Write this set in the Italian form, using Day Book, Journal, Cash Book, and Ledger. Give special attention, so that the check-marks in the Day Book, the Journal pages in the Ledger, and the Ledger pages in the Journal, are set down *immediately* after the journalizing and posting are done.

Student commenced business Jan. 1, 1884, by investing as follows: *Mdse.*, $850; *cash*, $700.

Jan. 2. Sold D. T. Seeley, on %, 5 # tea, @ 40¢; 10 # coffee, @ 20¢; 240 # potatoes, @ 1½¢. Paid cash for a set of account books, $7.50. Bo't of L. M. Dranga, for cash, 140 C. of wheat, @ $1.80 per C. Cash sales to-day, $48.50. 3. Sold C. A. Lee, on note at 60 ds., 50 C. wheat, @ $1.90 per C.; 125 # sugar, @ 12½¢.

EXERCISES FOR THE STUDENT.

Sold A. R. Sheats, 4 boxes soap, @ $1.50; 5 ℔ syrup, @ 80¢; 600 ℔ flour, @ $3.25 per C.; rec'd cash, $15;—balance on acc't. Paid cash, for insurance, $10.50. Cash sales, $61. 4. Sold D. T. Seeley, on ℅, a bill of Mdse., $42. Sold Ida Thomas, 4 ℔ vinegar, @ 50¢; 60 ℔ sugar, @ 13¢; 1 keg pickles, $2.25; rec'd, in exchange, 8 ℔ eggs, @ 35¢;—balance on acc't. Bo't of S. W. Smith, on ℅, 400 ℔ sweet potatoes, @ 3¢. Cash sales, $38.50. Rec'd cash, on ℅, of D. T. Seeley, $20. Sold Ida Thomas, on ℅, 1 ham, 20 ℔, @ 20¢. Bo't of F. M. Young, for cash, 16 ℔ eggs, @ 30¢. Rec'd cash, $25, from C. A. Lee, to apply on note of 3d inst. Sold A. R. Sheats, on ℅, a bill of Mdse., $30. Cash sales, $42. 6. Sold D. T. Seeley, on ℅, 40 ℔ sweet potatoes, @ 4¢; 80 ℔ sugar, @ 13¢. Rec'd cash, in full of ℅, of Ida Thomas. Sold F. M. Young, a bill of Mdse., $68, and rec'd cash, $40. Paid cash, for stationery, $4.25. Sold W. H. Bailey, on note at 30 ds., a bill of Mdse., $110. Bo't of A. R. Sheats, on ℅, 120 C. ground barley, @ $1.85 per C. Cash sales, $65. 8. Rec'd cash in full, of C. A. Lee, for balance due on note. Sold M. F. Young, on ℅, 300 ℔ flour, @ $3 per C.; 80 ℔ sweet potatoes, @ 4½¢. Cash sales, $25. 9. Bo't of S. W. Smith, on ℅, 500 ℔ dried peaches, @ 15¢. Sold A. R. Sheats, 8 bbls. flour, @ $6.25; rec'd check for $40;—balance on acc't. James Trimble has worked for us 5 days, repairing sidewalk, @ $2.50; and we have paid him in cash. Cash sales, $47. 10. Sold Peter Cooper, on ℅, 450 ℔ wheat, $1.90 per C.; 10 ℔ vinegar, @ 60¢; 40 ℔ bacon, @ 18¢. Chas. Jones has worked for us 8 ds. in store, @ $2; we let him have Mdse. for that amt. Cash sales, $54. Took an inventory and found Mdse. on hand, $575.

Set 2. Write this set in Journal-Day Book form, placing the Day-Book explanation below the Journal entry.

Student commenced business, May 1, '83, with resources and liabilities as follows:

Resources: *Cash*, $4000; *Mdse.*, $5000; Davis W. Hunter's *note*, at 60 ds., favor of student, dated April 1, '83, for $370; Edward Sheldon owes him, on ℅, $310.

Liabilities: *Note*, favor C. H. Osborn, dated March 1, '83, for $450; balance due R. A. Colman, on ℅, $300.

May 2. Bo't of Fletcher & Co., on ℅, silks as per invoice.

EXERCISES FOR THE STUDENT.

$287.40. Paid for insurance, $18. Paid cash for acc't books, $10. Sold T. R. Foster, on %, 425 # blk. velvets, @ 75¢; 120 # Foulard silk, @ 63¢. Sold R. S. Otis, on his note at 30 ds., 50 doz. English hose, $2.50; 300 # spring chintzes, @ 6¢; 200 # bourette suitings, @ 75¢. Bo't of L. W. Toland, for cash, an invoice of cassimeres, $219.35. 3. Sold R. H. Taylor, for cash, 200 # lace bunting, @ 85¢ 4. Sold T. R. Foster, on %, 300 # linen lawns, @ 25¢. Sold D. Williams & Son, on %, 450 doz. children's stockings, @ $1.80. 5. Sold Geo. H. Stevens, for cash, 275 # cashmere, @ 60¢. Paid cash for an invoice of Mohairs, $147.30. 6. Paid for shelving, $6.25. Sold R. S. Otis, receiving in payment his check, 3 doz. Thibet shawls, @ $60; 2 doz. long shawls, @ $90. 8. Sold W. H. Curtis, for cash, 360 # blk. tamise, @ 65¢. 9. Rec'd from T. R. Foster, cash on %, $467.50. Discounted Davis W. Hunter's note, and received cash, $360. 10. Paid for an invoice of shawls and gloves, $214.75. Paid express charges on this invoice, $4.50. 11. Rec'd from Edward Sheldon, cash on %, $250. 12. Sold T. R. Foster, on %, 240 # shepherd's plaids, @ 35¢; 160 # tilliard cashmere, @ $2.30. 13. Paid for advertising in San Jose Mercury, $7.25. 15. Paid note, favor C. H. Osborn, less discount, $438. 16. Sold Edward Sheldon, on %, 3 doz. Paisley shawls, @ $30; 320 # Parsee cloth, @ 7¢; 128 # debege, @ 35¢. 17. Paid for an invoice of silks, bo't of Dunn & Co., $285. Bo't of Fletcher & Co., on %, an invoice of blk. silks, $542.25. 18. Sold C. R. Gibson, for cash, 245 # spring gingham, @ 9¢. Paid San Jose Times, for advertising, $8.50. 19. Rec'd of T. R. Foster, cash in full of acc't. 20. Bo't of Fletcher & Co., on our note at 3 mos., 300 # check silks, @ 63¢. 21. Sold M. H. Hill, for cash, 275 # linen lawns, @ 20¢; 120 # satin hernani, @ 45¢. 22. Accepted Fletcher & Co.'s draft on us at 30 ds., favor R. W. Ford, in payment for silks purchased on 17th inst. 23. Student drew out cash for private use, $225. 24. Bo't of Fletcher & Co., on %, an invoice of Mdse., $1895.45. 25. Rec'd of Edward Sheldon, cash in settlement of his acc't. 26. Paid Fletcher & Co., in full of acc't. 28. Sold R. A. Colman, on %, 120 # cambrics, @ 8¢. 29. Rec'd of R. S. Otis, on % of his note, $50. 30. Paid R. A. Colman balance due him. Paid clerk's salary and rent of store to date, $125. Inventory of Mdse. on hand, $7625.50.

EXERCISES FOR THE STUDENT.

In the following set, let the student use the Journal-Day Book form.

Set 3. A. Cochrane commences business, Aug. 1, 1883, with the following resources and liabilities. *Resources: Cash*, \$800; *Mdse.*, \$900; and a *note* against A. Taylor for \$250. *Liabilities:* He *owes* F. M. Mills, on *a/c*, \$200.

Aug. 2. Sold H. V. Martin, on *a/c*, 20 *#* silk, @ \$2.50; 5 *#* lace, @ 25¢; 6 *#* ribbon, @ 25¢. Sold L. A. Bride, on *a/c*, 50 *#* grenadine, @ 75¢; 20 *#* cassimere, @ \$1.12½. Rec'd cash on *a/c*, \$50. Rec'd for cash sales, \$50. 3. Bo't of E. Asmus, 250 *#* plush, @ \$1.50, and gave in payment, my note at 30 ds., for \$100, and cash to balance acc't. Paid for sundry expenses, \$15. 4. Sold Miss I. C. Nichols, on *a/c*, trimmings, \$40; 20 *#* sheeting, @ 12½¢; 40 *#* muslin @ \$1.25; she gave us an order on H. V. Martin for \$42.50, which Martin paid. A. Cochrane takes out Mdse., \$100, cash, \$100. Rec'd cash sales, \$75. 3. Sold M. A. Parks, on note at 30 ds., my collection of remnants, \$250. Bo't of A. Stowell, on *a/c*, 2 Jersey jackets, @ \$5; 25 *#* linen, @ 20¢. Gave A. Stowell an order on L. A. Bride for \$25. Found a purse containing \$20; no one claimed it. 6. Paid F. M. Mills cash, on *a/c*, \$150. H. V. Martin has failed; we accept a compromise at 20 ¢ on the dollar. Rec'd, for cash sales, \$100. 7. Found \$10 missing from the cash drawer. Sold F. M. Hayes my entire stock of silks, \$500; rec'd cash on *a/c*, \$250. Rec'd for cash sales, \$100. 8. A. Stowell paid cash in full of *a/c*, \$..... Sold T. Cheeney, for cash, 25 *#* merino, @ \$1.25; 90 *#* linen lace, @ 12½¢; 10 *#* satin, @ \$2.50. Paid for paper, \$5, pens, \$1. A. Taylor paid his note in full, \$250. 9. Gave \$50 to a charitable institution. Bo't of D. Anderson, 400 *#* linen, @ 25¢; 1000 *#* calico, @ 12½¢; 400 *#* silk plush, @ \$3.50. Paid \$250, and gave him note, at 30 ds., for balance due. 10. Deposited in the Bank of San Jose, \$800. Rec'd an order from A. Stowell, requesting us to pay John Smith \$50. Paid store rent, \$75. Closed business, with Mdse. on hand, \$1750.

Write this set in Journal-Day Book form, placing the Day Book explanation at the right of the Journal entries. Use an I. B. and a C. B.; do not keep a cash account in the Ledger.

EXERCISES FOR THE STUDENT.

Set 4. Sacramento, Aug. 1, 1884. *Student* commenced business with resources and liabilities as follows: *Resources: Cash,* $3500; *Mdse.* $1800; an acc't against J. W. Webster for $325. *Liabilities:* Henry Fish holds Student's *note* for $300, dated July 1, 1884, at 60 ds.

Aug. 2. Bo't of John Fry, on %, 100 kegs nails, $450; 4 doz. door locks, $32; 10 gate hinges, $7.50; 4 tons bar iron, $200; 60 kegs Jay's pat'd horseshoes, @ $10. 3. Bo't of Travis & Adams, 10 doz. nail hammers, @ $7.50; 50 doz. shovels, @ $6.50; 8 doz. picks, @ $9; 6 doz. wheelbarrows, @ $22; gave in payment our note at 30 ds., for $300;—cash for balance. Cash sales, $102. 4. Sold J. Bishop, on %, 50 kegs nails, @ $5; 10 kegs pat'd horseshoes, @ $12.50; 4 doz. door locks, @ $8.75. Paid cash for stationery and stamps, $8.75. 5. Bo't of Henry Diston, 2 doz. handsaws, @ $18; 1 crosscut-saw, $25; 8 doz. butcher's bow-saws, @ $13.50; paid cash, $50;—balance, on acc't. 6. Sold J. W. Lawrence, 50 doz. shovels, @ $7.25; 4 doz. wheelbarrows, @ $23; rec'd in payment an order on Henry Parker for the amt. 8. Rec'd of J. Bishop, cash in full of acc't. 9. Bo't of J. W. Hubbard, on %, 200 kegs nails, @ $4.75; 2 doz. framing chisels, @ $8; 4 doz. chisel handles, @ 75¢. 10. Sold H. G. Bourne, 4 doz. butcher's bow-saws, @ $14; 2 doz. nail hammers, @ $7.75; 3 doz. coal picks, @ $9; 1 ton bar iron, $55; rec'd in payment order on J. W. Webster for $100;—cash for balance. 11. Paid John Fry, cash on %, $543.50. 12. Student has withdrawn $175, for private use. 13. Sold J. Bishop, 2 doz. picks, @ $10; 1 doz. framing chisels, $9; 2 doz. gate hinges, @ $8; 2 doz. chisel handles, @ 80¢; 1 crosscut-saw, $30; rec'd in payment cash, $25;—balance on acc't. 15. Paid J. W. Hubbard, on %, cash, $125; order on Henry Parker for $300. 16. Gave Henry Diston our note at 30 ds., to balance acc't. 17. Paid Travis & Adams, cash for our note, their favor; face of note, $300, less interest for 16 ds., $2.40. 18. Sold J. Brown, 8 doz. hammers, @ $8; 30 kegs pat'd horseshoes, @ $15; rec'd his note, at 10 ds., for $200; cash, $150;—balance on acc't. 19. Bo't of J. T. Hayward, 50 gross wardrobe hooks, @ $2.40; 75 gross screws, @ $2.25; 3 doz. pruning knives, @ $7.25; 10 doz. handsaws, @ $18; 3

doz. inch framing chisels, @ $15; gave in payment, J. Brown's note of the 18th inst., for $200; our note, at 60 ds., for $200, and cash for the balance. 20. Paid J. W. Hubbard, cash on acc't, $75. 21. Bo't of Welland & Co., for cash, 3 tons of coal, @ $13, for use of store. 22. J. Brown having failed (after redeeming his note of the 18th inst., which we had given in payment to J. T. Harward), has compounded with us at 40 %, paying cash for that amt.;—balance lost. 23. Paid clerks for services to date, $125. 24. Sold J. W. Lawrence, on %, 4 doz. handsaws, @ $16.50. 25. Took an inventory and found Mdse. on hand, $4106; coal, $26.

In this set use a four-column Journal-Day Book, as shown in Model Set 3.

Set 5. Los Angeles, Feb. 1, 1884. F. G. Tyrrell and Fred Cauch commenced business to-day with resources and liabilities as follows, gains and losses to be divided equally: F. G. Tyrrell invests *cash*, $1800; *Mdse.*, $2000; a *note* against G. W. Martin for $200, dated Jan. 1, 1884, at 90 ds. Fred Cauch invests *cash*, $4500; and Frank Porter holds his *note*, at 4 months, for $500, dated, Dec. 1, 1883. The firm agrees to assume this note.

Feb. 2. Paid, in advance, cash for rent of store, $100. Deposited $5000 in Union Bank. 3. Bo't of Hamlin & Co., a bill of Mdse., $1800; gave our note at 30 ds. for $600; a check on Union Bank for $750;—balance on acc't. Bo't of Field & Co., a bill of Mdse., $1146; gave in payment our note at 60 ds. 4. Cash sales to-day, $38. 5. Sold L. Andrews on %, 20 ℔ sheeting, @ 11¢; 10 ℔ Irish poplin, @ 80¢. Paid cash for repairing lock on store, $1.80. Cash sales, $100. 6. Sold Mrs. R. Watson, 48 ℔ sheeting, @ 10¢; 3 table-cloths, @ $1.25; 15 ℔ alpaca, @ 60¢; rec'd cash, $12;—balance on %. Paid cash for stationery and stamps, $2.50. Cash sales, $45. 8. Sold S. Brown, on %, 1 lace shawl, $60. Rec'd of Mrs. R. Watson, cash on %, $4. Bo't of Mallory & Co., a bill of Mdse., $198; gave our note, at 30 ds., for $100;—balance on %. Cash sales, $50. Discovered a $10 bogus coin in our cash. 9. Sold S. Jones, on %, 1 doz. spools thread, 75¢; 4 papers pins, @ 20¢; 15 ℔ black lace, @ 80¢. Rec'd of L. Andrews, on %, his order

on R. Johnson for $10.20. Cash sales, $68. 10. Sold A. Buckminster, 16 ℔ silk, @ $3.50; rec'd his sight draft, on Hamlin & Co., for $50, and cash for balance. Fred Cauch drew out, cash, $75, for personal use. Cash sales, $112. 11. Paid cash for painting front of store, $38. Deposited $200 in Union Bank. Sold B. R. Styles, 56 ℔ muslin, @ 10¢; 2 doz. hair nets, $4.50; 2 doz. hdkfs., $3.50; rec'd cash, $10;—balance on acc't. Cash sales, $72. 12. Paid cash for window brush, $2; one pane of glass, $2.50. Bo't of Dempster & Co., a bill of Mdse., $395; gave a check on Union Bank for $295, and note, at 60 ds., for balance. Sold Wm. Goodrich, on ℅, 20 ℔ black alpaca, @ $1; 10 ℔ black lace, @ $1.25. Cash sales, $89. 13. F. G. Tyrrell drew out $80, for personal use. Bo't of S. J. Klein, on ℅, a bill of Mdse., $381. Sold C. V. Smith, 75 ℔ cambric, @ 15¢; 18 ℔ linen, @ 18½¢; 2 rubber combs @ 30¢; rec'd cash, $5;—balance on acc't. Cash sales, $24. 15. Rec'd of W. Goodrich, cash on ℅, $25. Sold C. C. Collins, on ℅, 30 ℔ black braid @ 15¢; 12 ℔ Scotch plaid, @ 50¢. Sold W. Barber, on ℅, 40 ℔ muslin, @ 10¢; 3 window-shades, @ $1. Paid S. J. Klein, on ℅, $100. Cash sales, $110. 16. Discounted note held by Frank Porter, paying for same, $486, by check on Union Bank. Sold J. R. Deaton, 28 ℔ calico, @ 10¢; 38 ℔ delaine, @ 15¢; rec'd cash, $5;—balance on acc't. Bo't of Hamlin & Co., by check on Union Bank, a bill of Mdse., $218. Paid cash for whitewashing, $8. Paid S. J. Klein, on ℅, $50. 17. Sold W. Barber, on ℅, 50 ℔ alpaca @ 25¢. 18. Sold W. Goodrich, on ℅, 40 ℔ delaine, @ 16¢. Paid clerk's salary, by check on Union Bank, $60. Cash sales, $40. 19. Paid Hamlin & Co., cash for our note of 3d inst.: face of note, $600; discount on same, in our favor, $4.50. 20. Took an inventory and found Mdse. on hand, $5388.

Set 6. The partners in this business are A. S. Williams and J. E. Gibson. Gains and losses are to be divided in proportion to the amount invested by each. Commenced business Sept. 1, 1883. A. S. Williams invests *Mdse.*, $1400; *cash*, $500, and an *account* against M. A. Treat for $200. J. E. Gibson invests *cash*, $2400; a *note* against James Pearl, dated Aug. 1, 1883, at 90 ds., for $400.

EXERCISES FOR THE STUDENT.

Sept. 2. Deposited $2600 in Farmers' Bank. Paid, in advance, cash for rent, $80. Sold E. P. Heald, on %, 1 case American prints, 1410 #, @ 10¢; 2 cases Union gingham, 1785 #, @ 11½¢. Cash sales, $70. 3. Sold Geo. Bybee, for cash, 875 # Scotch gingham, @ 15½¢. Sold Peter Ament, on %, 50 # Union gingham, @ 12½¢; 25 # French cassimere, @ $1.25. Sold John Elder, on %, 20 # white flannel, @ 90¢; 40 # woolen tweeds, @ 55¢. Bo't of James Nunnelly, by check on Farmers' Bank, a bill of Mdse., $900. Cash sales, $88. 4. Bo't of W. A. Miller, on 60 ds.' credit, 10 pieces French broadcloth, 200 # @ $3.75. Sold Geo. Bybee, on note at 4 months, a bill of Mdse., $150. Rec'd of M. A. Treat, on %, $50. Cash sales. $78. 5. Sold John Elder 100 # French broadcloth, @ $4.25; rec'd his note, at 60 ds., for $200;—balance on acc't. Paid for 3 tons of coal, for the store, by check on Farmers' Bank, $28; John Owen has worked for us 5 ds., @ $2.50, and we have credited him for that amount. Cash sales, $41.25. 6. Discounted Geo. Bybee's note at Farmers' Bank and rec'd cash, $132.50. Bo't of Chas. Curtis, on our note at 90 ds., a bill of Mdse., $200. Rec'd of James Pearl a check on Farmers' Bank for $200, in part payment of his note; deposited check in the bank. Cash sales, $80. 8. Sold James Nunnelly, on %, 50 # Valencia, @ 40¢; 120 # alpaca, @ 30¢. Deposited $100 in Farmers' Bank. Paid W. A. Miller $100 on %, by check on Farmers' Bank. Paid cash for stationery, $4.75. Rec'd of E. P. Heald, to balance acc't, his note at 60 ds., for $..... Gave W. A. Miller an order on John Elder for $100. 9. Burglars broke into our store and stole $150, cash; we paid a detective $50 to arrest the burglars, and we recovered $75. Sold Peter Ament, on %, 50 # Merrimack prints, @ 15¢. Cash sales, $102. 10. Accepted W. A. Miller's draft on us, at 30 ds., for $200. Sold James Nunnelly, on %, 10 # broadcloth, at $3.80; 20 # Eng. prints, @ 10¢. Discounted our note of the 6th inst., favor Chas. Curtis, and gave a check on Farmers' Bank for the proceeds, $188. 11. Rec'd of M. A. Treat, cash to balance acc't., $..... Peter Ament has failed and we have lost his acc't. Paid clerk's salary in cash, $60. Sold John Owen, on %, 4 white shirts, @ $175. Cash sales, $60. 12. Deposited

$75 in Farmers' Bank. Sold James Nunnelly, on %, 6 white shirts, @ $1.50; 8 pr. socks, @ 25¢; 1 umbrella, $1.50. Cash sales, $50. 13. Cash sales, $42. 15. Sold John Owen 25 ⅌ cassimere, @ 75¢. Donated cash, $15, to free library fund. Took an inventory and found unsold Mdse. on hand, $1860. Coal, $18.

Set 7. G. A. Mills commenced business Aug. 1, 1883, with resources and liabilities as follows: *Resources: Cash*, $1775; *Mdse.*, $250; due from Frank Porter, on %, $150; due from J. E. Raker, on %, $175; a *note* against G. W. Koch, dated July 17, 1883, at 2 mos., for $150. *Liabilities:* G. A. Mills *owes* W. H. Bailey on acc't, $107.50; a *note*, dated July 15, 1883, at 3 mos., favor W. O. Blodget, for $375.

Aug. 2. Sold E. Zummalt, 1 pr. boots, $7.50; 1 suit clothes, $42; rec'd his note, at 60 ds., for $45;—balance on acc't. Rec'd from H. Everett an invoice of Mdse. on 2 months' credit, $250. Cash sales, $48.25. 3. Bo't of Wm. Locke, 20 overcoats, @ $20; 100 gents' neck-ties, @ 75¢; 25 doz. hdkfs, @ $2.20; 25 dress hats, @ $3.50; gave him E. Zummalt's note in part payment; —balance on acc't. Paid cash for advertising, $6.50. Lent Marine Gage, cash, $15. Cash sales, $150. 4. Sold Frank Canch, for cash, 1 pr. calf boots, $7; 2 prs. shoes, @ $5; 5 prs. gents' hose, @ 75¢; 1 suit clothes, $42. Bo't of Frank Graham, an assortment of gents' fancy goods, $200; gave him an order on J. E. Raker for $100;—balance on acc't. Accepted W. H. Bailey's draft on us at 30 ds.' sight, favor of John Sullivan, for $100. Cash sales, $175. 5. Sold Ben Cory, on his note at 30 ds., 50 ⅌ extra fine cloth, @ $5.50. Sold Robt. Adcock, 1 hat, $6; 2 prs. boots, @ $7.50; 2 neck-ties, @ $1.50; 3 fine white shirts, @ $2; rec'd cash, $15;—balance on acc't. Cash sales, $80. 6. Rec'd of G. W. Koch, cash in full for his note. Sold W. H. Bailey, on %, 3 doz. buttons, @ 75¢; 25 ⅌ trimming, @ 20¢; 2 caps, @ $1.50; 3 prs. cuffs, @ 75¢; 5 silk hdkfs., @ $2. Bo't of J. Zielan, on our note at 90 ds., 200 prs. pants, @ $5. Cash sales, $100. 8. Sold Ben Cory, 1 suit clothes, $40; 2 prs. boots, @ $7; 9 prs. silk hose, @ $1.25; 6 white shirts, @ $2; rec'd his note, at 60 ds., for $50;—balance in cash. Rec'd cash

in full of acc't, of Robt. Adcock. Paid our note of July 15th, in full; face of note, $375,—interest on same, in our favor, $3.75. Rec'd of Marine Gage, cash on %, $15. Cash sales, $125. 9. Bo't of Bancroft & Co., on %, stationery for the business, $27.50. Sold James Buchanan, Ben Cory's note of the 8th inst. for $45 cash. Paid H. Everett, cash on %, $200. Rec'd a $10 counterfeit bill in exchange for Mdse. Cash sales, $87. 10. Paid J. Trimble $400 cash, for a note against V. Dornberger, due in 30 ds.; face of the note, $415. Cash sales, $40. Sold E. Zummalt, 1 suit clothes, $28.50; 1 hat, $4.50; rec'd an order on S. Grant for the amt. 11. Paid clerk's salary, $40. Sold J. J. Agostine, on his note at 90 ds., our assortment of clothing, amounting to $950. Cash sales, $108. 12. Rec'd of V. Dornberger, for his note, cash $412. Bo't of J. E. Gibson, on our note at 6 mos., a bill of Mdse., $1150. Took an inventory, and found unsold Mdse. on hand, $1735. Stationery, $12.50.

Set 8. Suisun City, Oct. 1, 1884. Moses Frank and Ed. Dinkelspiel engage in a general merchandise business—losses and gains to be equally divided—with resources and liabilities as follows: Moses Frank invests *cash*, $1500; *Mdse.*, $3000. Ed. Dinkelspiel invests *cash*, $4500, and an *account* against Wm. Kennedy for $300. Ira Parker holds Ed. Dinkelspiel's *note*, dated Sept. 1, 1884, at 3 mos., for $300.

Oct. 2. Deposited, $5500 in Suisun Bank. Paid H. Crocker $7, for a set of account books. Sold Emma Keeney, on %, 1 pr. shoes, $3.25; 16 # blue silk, @ $1.75. Sold Luella Gillespie, on %, 1 Ottoman shawl, $15; 1 doz. damask towels, $2.50; 20 # blue denim, @ 20¢. Loaned Harry Edwards, $20. Cash sales, $61. 3. Bo't of A. T. Stewart, N. Y., on %, 2 pcs. Irish linen, 170 #, @ 40¢; 10 doz. linen napkins, @ $1.25; 2 pcs. gingham, 120 #, @ 15¢; 5 doz. ladies' merino vests, @ $8. Sold Willie Losh, 1 pr. boots, $3.50; 1 suit clothes, $16; rec'd cash, $10;—balance on acc't. Paid for horse and wagon for the business, by check on Suisun Bank, $220. Cash sales, $68.50. 4. Bo't of Henry Beck, the store in which we are doing business, and gave check on Suisun Bank, $1500, and our note, at

3 mos., for $500. Sold Calvin Webster, on %, 1 suit clothes, $38. Sold Emma Keeney, on %, 2 prs. linen cuffs, 60¢; 1 pr. gloves, $1.75; 5 # ribbons, $1.25. Rec'd from W. Kennedy, on %, an order on H. McEwen for $40. Bo't of Henry Pangburn, for cash, 500 # prunes, @ 12½¢. Rec'd cash on %, of Luella Gillespie, $10. Cash sales, $41.80. 5. Sold Chas. O'Neil, on his note at 90 ds., a bill of Mdse., $90. Accepted A. T. Stewart's draft on us, at 30 ds.' sight, favor of John Henry, for $100. Bo't of Jones & Co., on our note at 4 mos., an invoice of groceries, $800. Deposited $190, in Suisun Bank. Cash sales, $89. 6. Sold Horace Crocker, on %, 2 bbls. flour, @ $6.50; 25 # bacon, @ 20¢; 1 pr. boots, $6.50. Rented H. Hubbard a room in our store for an office, and rec'd one month's rent in advance, $20. Cash sales, $56. 8. Sold Willie Losh, on %, a bill of Mdse., $18.50. Paid Mrs. Tidy, for washing windows, $3.50. Sold Horace Crocker a bill of groceries, $27.50; rec'd cash, $20;—balance on acc't. Sold Thos. Short, on %, 220 # sugar, @ 13¢. Ed. Dinkelspiel drew out cash, $75, for personal use. Cash sales, $88. 9. Moses Frank has had groceries to the amount of $58. Sold Luella Gillespie, on %, a bill of groceries, $15.25. Sold J. W. Price, on %, 1 keg powder, $6.50; 1 bag shot, $2.75; caps and wads, $1.75. Willie Losh returned 1 bx. crackers, $2.25. Discounted Ed. Dinkelspiel's note, favor Ira Parker, and paid $288 for it, by check on Suisun Bank. Cash sales, $108. 10. Wm. Kennedy paid us, cash on %, $50. Chas. Barnes repaired the sidewalk in front of our store; charged $10, and took groceries for that amt. Sold J. W. Price a bill of groceries, $16.50; rec'd cash, $10;—balance on acc't. Thos. Short absconded, and we have lost his acc't. Cash sales, $71.50. 11. Discounted our note of the 4th inst., and paid $480, by check on Suisun Bank. Cash sales, $100. 12. Took an inventory and found Mdse. in store, $3310; store, valued at $2000; horse and wagon, $220.

Set 9. Fresno, Nov. 1, 1884. *Student* commences business with *cash*, $5000, and a *note* against W. J. Black, dated Aug. 1, 1884, at 90 ds., for $350.

Deposited in City Bank, $4700.

EXERCISES FOR THE STUDENT.

The usual way is to consider the money in the bank as cash on hand, and to keep the account with the bank by means of the Bank Book and Check Book. Some prefer, however, to keep an account with the bank in their Ledger, in the same manner as accounts with persons, debiting the bank for deposits made, and crediting it for checks drawn on the same.

Bo't of Cook & Co., of N. Y., an invoice of groceries, $4000; gave our check on City Bank for $2000;—balance on acc't.

2. Rented a store of H. Witherspoon at $100 per month, and paid, cash, $25 in advance.

Bo't of Geo. Duncan, on our note at 3 mos., 2½ tons dried prunes, @ $220; 2 tons dried apples, @ $100.

Shipped by S. P. R. R., and consigned to Adams & Co., San Francisco, to be sold on our account and risk, 2 tons dried prunes, @ $220; 1½ tons dried apples, @ $100;—paid cash for drayage and freight, $15.

Goods sent abroad, to be sold for your account, must not be debited to the consignee, but must have a specific title, under which to keep an account of them, just as goods at home have the title of "Mdse." The title usually given is "Shipment," or "Adventure," to such a place or such a party. You may call this "Shipment to San Francisco, No. 1."

Cash sales, $125.

3. Sold Eva Hasty, on ℅, 100 # dried prunes, @ 15¢; 120 # sugar @ 13¢.

Sold J. W. Sullivan 5 bbls. salt, 980 #, @ 2¢; 200 # salt pork, @ 18¢; 75 # cheese, @ 20¢; rec'd, cash, $25;—balance on acc't.

Accepted Cook & Co.'s draft on us, at 30 ds.' sight, favor J. W. Price, for $500.

Paid $180, for a horse and wagon for the business, by check on City Bank.

Cash sales, $160.

4. Deposited $200 in City Bank.

Sold Marine Gage, on his note at 30 ds., a bill of Mdse., $160.

Paid for advertising, cash, $8.50.

Bo't of H. F. Clark, 500 C. of wheat, @ $1.70; gave in part payment, Marine Gage's note at $150; our note for $300, at 90 ds.;—balance on acc't.

In this transaction we have discounted Marine Gage's note.

Rec'd of Eva Hasty, on ℅, 10 # egg, @ 35¢.

EXERCISES FOR THE STUDENT.

Sold A. M. Gray, on %, 150 # rice, @ 6¢; 50 C. wheat, @ $1.85.

Cash sales, $117.

5. Rec'd an Account Sales from Adams & Co., of the dried fruit, sent them on the 2d inst.; net proceeds, $625. Adams & Co. sent a sight draft, on Bancroft & Co., for $500;—balance on acc't.

The debits in this transaction are Cash and Adams & Co.; credit Shipment to San Francisco, No. 1.

Rec'd from Frank & Sons, Suisun City, 500 sks. potatoes, @ $1 per sk., to be sold on commission at 5%. They to pay freight, drayage, etc.

We paid drayage on this shipment, $4.50.

In this transaction make a memorandum, stating that the goods were received, but make no Journal entry. Afterwards debit Frank & Sons for all costs to us, and credit them for sales.

Cash sales, $210.

6. Sold 100 sks. of Frank & Son's potatoes for cash, @ $1.40 per sk.

Discounted our note, favor Geo. Duncan, and paid for same by check on City Bank, $742.

Deposited the sight draft for $500, rec'd on the 5th inst., in City Bank.

Sold the balance of Frank & Sons' potatoes, 400 sks., to John Cary, on his note, at 60 ds., for $560.

Rendered an Account Sales to Frank & Sons; our commission, which we have deducted in cash, is $35; drayage, $4.50; total, $39.50. Sent Frank & Sons our check, on City Bank, for $100.50, and John Cary's note for $560.

Cash sales, $89.

8. Sold Geo. Duncan, on %, a bill of groceries, $87.50.

Sold Peter Crank, 10 bbls. flour, @ $6.50; 5 sks. potatoes, @ $1.40; rec'd cash, $30;—balance on acc't.

Deposited $250 in City Bank.

W J. Black paid, cash, for his note and interest on same: face of note, $350; interest, $7.50.

Bo't of Chas. Owen, by check on City Bank, an invoice of groceries, $500.

Student withdrew, for private use, by check on City Bank, $150.

Peter Crank died insolvent, and we have lost his account.

Sold H. F. Clark, on %, a bill of Mdse., $70.

Sold Eva Hasty, on %, a bill of groceries, $18.25.

City Bank failed, and we rec'd, cash, 40 % of amt. on deposit.

Took an inventory and found Mdse. on hand, $4460; horse and wagon, $175.

Set 10. Fresno, Nov. 15, 1884. *Student* has this day associated with him in a general merchandise business, Fred Childs, who is to invest, in cash, an amount equal to *Student's* net investment, as determined at close of preceding set. Gains and losses to be shared equally.

Deposited $4000 in Bank of Fresno.

Paid Cook & Co., $500, by check on Bank of Fresno.

Rec'd of J. W. Sullivan, $30 on %.

Accepted H. F. Clark's draft on us, 30 ds.' sight, favor J. B. Atchinson, for $200.

Cash sales, $78.

16. Sold A. M. Gray, on %, 500 # ground barley, @ $1.80 per C.

Sold Eva Hasty, on %, 1 keg syrup, $3.75; 1 case kerosene, $3.50.

Bo't of Cook & Co., by check on Bank of Fresno, a bill of Mdse., $1175.

Rec'd from Geo. S. Wells, San Jose, 8 tons of flour, @ $70, to be sold on commission at 4½ %.

Rec'd from Geo. Duncan, on %, an order on Ira Parker for $40.

Cash sales, $116.

17. Sold Florence Childs, on %, 10 # silk velvet, @ $1.50; 8 # cashmere, @ 75¢; 6 prs. hose, @ 50¢.

Sold Thos. Hardie, on %, a bill of groceries, $28.75.

Sold John Adams, for cash, 600 # Wells's flour, @ $3.75 per C.

Shipped to Farmers' Union, San Jose, to be sold on our account, 4½ tons dried prunes, @ $200.

Sold J. W. Sullivan, 180 # sugar, @ 14¢; 50 # rice, @ 6¢;

EXERCISES FOR THE STUDENT.

600 # flour, @ $3.80 per C.; rec'd cash, $20;—balance on acc't.

Deposited $160 in Bank of Fresno

Sold Loyd Childs, on his note @ 60 ds., 1½ tons of prunes, @ $240.

Cash sales, $68.

18. Sold, for cash, 1½ tons Wells's flour, @ $80.

Paid cash for a set of acc't books, $9.50.

Sold Florence Childs, on %, 1 cloak, $12; 1 pr. shoes, $3.25.

Sold Thos. Hardie, on %, 800 # wheat, @ $1.65 per C.

Cash sales, $160.

19. Deposited $250 in Bank of Fresno.

Rec'd, cash on %, of Florence Childs, $15.

Loyd Childs has returned 500 # dried prunes, @ 12¢.

Paid cash for stationery, $3.75.

Bo't of John Adams, on our note at 3 mos., a bill of Mdse., $240.

Cash sales, $108.

20. Paid for advertising, by check on Bank of Fresno, $10.50.

Sold J. F. Ogden, on %, 50 # cheese, @ 20¢; 25 # codfish, @ 8¢; 50 # dried peaches, @ 16¢.

Sold the remainder of Wells's flour, for $500, cash.

Sold Thos. Hardie 1½ tons dried prunes, $340; rec'd check on Grangers' Bank for $140; note at 30 ds. for $160;—balance on acc't.

Sold Geo. Duncan, on %, 4 boxes soap, @ $1.25; 1 keg syrup, $3.75.

Traded horses, and gave cash $25, to boot. Deposited $600 in Bank of Fresno.

Rendered an Account Sales to Geo. S. Wells for the flour shipped us on the 16th inst. Our commission is $28.90; sent Wells our check, on Bank of Fresno, for the balance.

Cash sales, $78.

21. Rec'd of A. M. Gray a draft on the Commercial Bank, San Francisco, for balance due us on acc't.

Gave Cook & Co. an order on Thos. Hardie for $75.

Donated $20 to the Ladies' Aid Society.

Paid clerk's salary, $75.

Rec'd $75 from Loyd Childs, to apply to his note of 17th inst.

EXERCISES FOR THE STUDENT.

Sold J. F. Ogden, on %, 120 # mess pork, @ 20¢; 5 # vinegar, @ 40¢.

Bo't of Moss & Co., a bill of Mdse., $1200; gave our check on Bank of Fresno for $500;—balance on acc't.

Cash sales, $116

22. Sold J. F. Perez a bill of Mdse., $85; rec'd cash, $50;—balance on acc't.

Sold Geo. Duncan, on %, 5 bbls. flour, @ $7.25.

Sold Florence Childs, on %, 1 shawl, $9; 1 pr. shoes, $3.25.

Cash sales, $68.50.

23. Sold Thos. Hardie, on %, a bill of Mdse., $48.

Deposited $125 in Bank of Fresno.

Gave Moss & Co., on %, Thos. Hardie's note of the 20th inst.

Rec'd an Account Sales from Farmers' Union, of prunes shipped them on 17th inst. Our net proceeds are $1065; we rec'd a draft on Hibernia Bank, San Francisco, for that amt. Deposited this draft in Bank of Fresno.

Cash sales, $78.

24. Sold J. F. Perez, on %, 1 pr. boots, $7.50; 4 white shirts, @ $1.75.

Student drew out cash for private use, $120.

Fred Childs has taken groceries to date, $67.50.

Cash sales, $100.

25. Rec'd from J. F. Perez, on %, 24 # eggs, @ 35¢.

Sold J. F. Ogden, on %, 28 C. of wheat, @ $1.80.

Took an inventory and found Mdse. on hand, $4130; horse and wagon, $190.

MODEL SET IV.

This set illustrates a method of posting from three books of original entry—the Journal-Day Book, Cash Book, and Sales Book. The Bill Book, Check Book, and Ledger complete the books used in the set.

By the addition of an extra column, headed "Mdse. Dr.," in which only *purchases* of merchandise are entered, the Journal-

Day Book serves also as Invoice Book, in a condensed form. The *bills* of purchases are posted in a blank book, as in preceeding sets.

The items entered in the columns headed "Sunds. Dr.," and "Sunds. Cr.," of the Journal-Day Book, are posted, as from an ordinary Journal, separately to the Ledger. The totals of Mdse. column are brought forward from page to page; the total footing—covering either a day, week, or month, as may best accord with the business—being finally carried to the debit of Mdse. account in the Ledger.

The Sales Book contains *sales* of Mdse. only. The net amount of each sale is carried to the right-hand column, and the footing of this column is brought forward from page to page, until the end of the day, week, or month, as desired; the total footing being then posted to the credit of Mdse. account. The debits, in the Sales Book, are separately posted, in the usual way.

The Check Book contains a record of all transactions with the bank. The bank is debited for deposits, by entering the amounts, with the proper explanation, in the Check Book, and credited for the amounts withdrawn by check. No account is kept with the bank in the Ledger; the amount in bank being treated as cash on hand.

The Cash Book contains a record of all cash transactions. Special columns are used in order to facilitate the work of posting. The footings of the special columns are posted daily, weekly, or monthly. No cash account is kept in the Ledger. The sum of the *debit* columns, "Sunds." and "Mdse.," shows the amount of cash *received;* the sum of the *credit* columns, "Sunds." and "Expense," the amount of cash *paid out.* The difference between these sums is equal to the amount of cash in the safe or drawer. Cash in drawer, plus amount in bank, shows the total of cash on hand.

Oakland, March 1, 1884. *Student* commenced business with *cash*, $10000, and a *note* against Geo. Oberholtzer, dated Feb. 1, 1884, at 60 ds., for $500. *Student owes* F. M. Righter, on %, $200.

Deposited in City Bank, cash, $9500.

2. Bo't of Jayne & Son, on %, 100 bxs. raisins, @ $3.25; 40 doz. 2 # cove oysters, @ $5; 100 doz. 3 # canned peaches, @ $5; 300 bbls. flour @ $8.

Sold S. Thompson, on %, 20 doz. 2 # cove oysters, @ $6; 30 bxs. raisins, @ $4.25; 10 bbls. flour, @ $9.

Cash sales, $38.

3. Sold Jas. Campbell, for cash, 20 bbls. flour, @ $9; 20 bxs. raisins, @ $5; 10 doz. 2 # cove oysters, @ $5.50.

Sold Ira More, on his note at 90 ds., 10 bxs. raisins, @ $5; 5 doz. 2 # cove oysters, @ $6; 20 doz. 3 # canned peaches, @ $6; 50 bbls. flour, @ $9.

Bo't of Wm. Smith, on our note at 30 ds., 150 bbls. Gilroy flour, @ $7; 150 doz. 1 # cove oysters, @ $2.50; 3,000 # cheese, @ 10¢; 100 bbls. apples, @ $3; 20 sks. Rio coffee, 3,000 #, @ 15¢.

Paid for 2 tons coal for the store, cash, $24.

Cash sales, $40.

4. Bo't of Joseph Baker, by check on City Bank, 10 hhds. N. O. sugar, 1,200 #, @ 10¢; 12 bbls. mess beef, @ $20; 12 bbls. prime pork, @ $15.

Rec'd of S. Thompson, on %, $200.

Deposited $500 in City Bank.

Bo't of Geo. Underwood, a horse and wagon for the store; paid, check on City Bank, $200.

Sold J. L. Mosher, on %, 10 bbls. prime pork, @ $17; 10 bbls. mess beef, @ $21; 5 hhds. N. O. sugar, 6,000 #, @ 11¢; 10 sks. Rio coffee, 1,000 #, @ 14¢; 50 bbls. apples, @ $4.

Exchanged notes with Geo. Martin, for our mutual accommodation, each note drawn at 30 ds., for $600.

Discounted Geo. Martin's note at London Bank, and received, cash, $590.

5. Accepted Jayne & Son's draft on us, at 30 ds.' sight, favor Geo. P. Anderson, for $1200.

Sold Ira More, 20 bbls. Gilroy flour, @ $8; 100 bbls. family flour, @ $9; 20 doz. 1 # cove oysters, @ $2.75; 10 bbls. apples, @ $4; rec'd, cash, $200, his note at 60 ds. for $500;—balance on %.

Bo't of H. F. Clark, 50 bbls. white fish, @ $9; 50 bbls. No. 1 mackerel, @ $10; 40 bbls. S. I. sugar, 8,000 #, @ 10¢; gave

in payment Ira More's note for $490 (face of note, $500); check on City Bank for $900;—balance on acc't.

Sold John Utter, for cash, 25 bbls. white fish, @ $10; 20 bbls. S. I. sugar, 4,000 #, @ 12¢.

Deposited in City Bank, cash, $600.

6. Sold Agnes Parsons, on %, 1,500 # cheese, @ 15¢.

Paid for repairing wagon, cash, $12.

Rec'd from J. L. Mosher, on %, a sight draft on Ames & Co., for $400.

Gave F. M. Righter an order, on Agnes Parsons, for $150.

Sold John Utter, on %, 10 bbls. mess beef, @ $21; 10 bbls. prime pork, @ $15.

8. Sold Wynn Reeves, on %, 20 bbls. flour, @ $8.50.

Sold Wm. Kinloch, for cash, 20 cases kerosene, @ $2.50; 4 doz. parlor lamps, @ $15.

Deposited sight draft, rec'd on 6th inst., in City Bank.

Discounted our acceptance of the 5th inst., favor Geo. P. Anderson, and paid, cash, $1185.

9. Took an inventory and found Mdse. on hand, $2900; horse and wagon, $190.

SET 4.] CHECK BOOK STUBS.

March 1, 1884, Deposited. .	9500
No. 1.	
Date, March 4.	
To Joseph Baker.	
For Mdse.	
Amt.....	540
March 4, Deposited.....	500
No. 2.	
Date, March 4.	
To Geo. Underwood.	
For Horse and wagon.	
Amt.....	200
No. 3.	
Date, March 5.	
To H. F. Clark.	
For Mdse.	
Amt.....	900
March 5, Deposited.....	600
" 8, " Draft .	400

JOURNAL-DAY BOOK.

L. P.		Mdse. Dr.	Sunds. Dr.	Sunds. Cr.
√	Cash		10000	
141	Bills Receivable		500	
141	Student			10500
	For Investment.			
	〃			
141	Student		200	
141	F. M. Righter			200
	Due on a/c.			
	2.			
141	Mdse	3425		
143	Jayne & Son			3425
	Per Invoice Book.			
	3.			
141	Mdse	2475		
143	Bills Payable			2475
	Bo't by note at 30 ds., as per I. B.			
	4.			
141	Mdse	540		
√	City Bank			540
	Bo't by check, as per I. B.			
	〃			
142	Expense		200	
√	City Bank			200
	Paid for horse and wagon, by check.			
	〃			
141	Bills Receivable		600	
142	Bills Payable			600
	Exchgd. notes for mutual accommod'n.			
	5.			
143	Jayne & Son		1200	
142	Bills Payable			1200
	Accepted draft on us, favor Geo. P. Anderson, 30 ds.			
	〃			
141	Mdse	1750		
142	Discount and Interest		10	
141	H. F. Clark			360
141	Bills Receivable			500
√	City Bank			900
	Bo't, as per I. B., and gave Ira More's note for $490 (face of note $500); check on bank;—balance on a/c.			
	6.			
141	F. M. Righter		150	
142	Agnes Parsons			150
	Gave an order on A. Parsons.			
		8190	12860	21050

SALES BOOK.

SET 4.] *OAKLAND, March 2, 1884.*

L. P.		Sundries.	Cash.	Totals.
142	S. THOMPSON, San Jose.			
	20 doz. 2 ⅍ Cove Oysters, @ $6. ...$120.			
	30 bxs. Raisins, 4.25... 127.50			
	10 bbls. Flour, 9. ... 90.	337 50		337 50
	3.			
	CASH, JAS. CAMPBELL.			
	20 bbls. Flour, @ $9. ...$180.			
	20 bxs. Raisins 5. ... 100.			
	10 doz. 2 ⅍ Cove Oysters, 5.50... 55.		335	335
	〃			
141	BILLS RECEIVABLE, IRA MORE, Note, 90 ds.			
	10 bxs. Raisins, @ $5. ...$ 50.			
	5 doz. 2 ⅍ Cove Oysters, 6. ... 30.			
	20 doz. 3 ⅍ Canned Peaches, 6. ... 120.			
	50 bbls. Flour, 9. ... 450.	650		650
	4.			
142	J. L. MOSHER, Oakland.			
	10 bbls. Prime Pork, @ $17. ...$170.			
	10 " Mess Beef, 21. ... 210.			
	5 hhds. N. O. Sugar, 600 ⅍, .11... 660.			
	10 sks. Rio Coffee, 1000 ⅍, .14... 140.			
	50 bbls. Apples, 4. ... 200.	1380		1380
	5.			
141	IRA MORE	455		
	CASH		200	
141	BILLS RECEIVABLE	500		
	20 bbls. Gilroy Flour, @ $8. ...$160.			
	100 bbls. Family Flour 9. ... 900.			
	20 doz. 1 ⅍ Cove Oysters, 2.75... 55.			
	10 bbls. Apples, 4. ... 40.			1155
	Rec'd note, at 60 ds., $500; Cash, $200;—bal. on ℅.			
	〃			
	CASH, JOHN UTTER.			
	25 bbls White Fish, @ $10. ...$250.			
	20 " S. I. Sugar, 4000 ⅍, .12... 480.		730	730
	6.			
142	AGNES PARSONS.			
	1500 ⅍ Prunes, @ 15¢	225		225
	〃			
143	JOHN UTTER, Sacramento.			
	10 bbls. Mess Beef, @ $21. ...$210.			
	10 " Prime Pork, 15. ... 150.	360		360
	8.			
143	WYNN REEVES, Suisun City.			
	20 bbls. Flour, @ $8.50	170		170
	〃			
	CASH, WM. KINLOCH.			
	20 Cases Kerosene, @ $ 2.50...$ 50.			
	40 doz. Parlor Lamps, 15. ... 60.		110	110
		4077 50	1375	5452 50

LEDGER.

SET 4.] *STUDENT.*

1884						1884					
Mar	1	F. M. Righter.....	139	200		Mar	1	Sundries.....	139	10500	
"	*9*	*Balance*.....L	143	*10489*	*50*	"	9	Loss and Gain....L	143	189	50
				10689	50					10689	50

BILLS RECEIVABLE.

1884						1884					
Mar	1	Student.....	139	500		Mar	4	Cash .....C. B	144	600	
"	3	Mdse.....S. B	140	650		"	5	Sundries.....	139	500	
"	4	Bills Payable.....	139	600		"	*9*	*Balance*.....L	143	*1150*	
"	5	Mdse.....S. B	140	500							
				2250						2250	

F. M. RIGHTER.

1884						1884					
Mar	6	Agnes Parsons	139	150		Mar	1	Student.....	139	200	
"	*9*	*Balance*.....L	143	*50*							
				200						200	

MERCHANDISE.

1884						1884					
Mar	2	Jayne & Son.....	139	3425		Mar	9	Cash .....C. B	144	1453	
"	3	Bills Payable.....	139	2475		"	9	Sundries.....S. B	140	4077	50
"	4	City Bank	139	540		"	*9*	*Balance*.....L	143	*2900*	
"	5	Sundries.....	139	1750							
"	*9*	*Loss and Gain*....L	143	*240*	*50*						
				8430	50					8430	50

H. F. CLARK.

1884						1884					
Mar	*9*	*Balance*.....L	143	*360*		Mar	5	Sundries.....	139	360	

IRA MORE.

1884						1884					
Mar	5	Mdse.....S. B	140	455		*Mar*	*9*	*Balance*.....L	143	*455*	

LEDGER.

SET 4.] *BILLS PAYABLE.*

1884						1884					
Mar	8	Cash.....C. B	145	1200		Mar	3	Mdse.....	139	2475	
"	*9*	*Balance*.....L	143	*3075*		"	4	Bills Receivable...	139	600	
						"	5	Jayne & Son	139	1200	
				4275						4275	

EXPENSE.

1884						1884					
Mar	4	City Bank	139	200		*Mar*	*9*	*Balance*.....L	143	*190*	
".	9	Cash.....C. B	145	36		"	*9*	*Loss and Gain*....L	143	*46*	
				236						236	

DISCOUNT AND INTEREST.

1884						1884					
Mar	4	Cash.....C. B	145	10		Mar	9	Cash .....C. B	144	15	
"	5	Sundries.....	139	10		"	*9*	*Loss and Gain*....L	143	*5*	
				20						20	

S. THOMPSON.

1884						1884					
Mar	2	Mdse.....S. B	140	337	50	Mar	4	Cash .....C. B	144	200	
						"	*9*	*Balance*.....L	143	*137*	*50*
				337	50					337	50

J. L. MOSHER.

1884						1884					
Mar	4	Mdse	140	1380		Mar	6	Cash.....C. B	144	400	
						"	*9*	*Balance*.....L	143	*980*	
				1380						1380	

AGNES PARSONS.

1884						1884					
Mar	6	Mdse.....S. B	140	225		Mar	6	F. M. Righter.....	139	150	
						"	*9*	*Balance*.....L	143	*75*	
										225	

LEDGER.

JAYNE & SON.

1884						1884					
Mar	5	Bills Payable	139	1200		Mar	2	Mdse.....	139	3425	
"	9	*Balance*.....L	143	*2225*							
				3425						3425	

JOHN UTTER.

1884						1884					
Mar	6	Mdse.....S. B	140	360		*Mar*	*9*	*Balance*.....L	143	*360*	

WYNN REEVES.

1884						1884					
Mar	8	Mdse.....S. B	140	170		*Mar*	*9*	*Balance*.....L	143	*170*	

LOSS AND GAIN.

1884						1884					
Mar	9	Expense L	142	46		Mar	9	Mdse.....L	141	240	50
"	9	Disct. and Int....L	142	5							
"	9	*Student*.....L	141	*189*	*50*						
				240	50					240	50

BALANCE.

1884						1884					
Mar	9	Bills Receivable ..L	141	1150		Mar	9	F. M. Righter....L	141	50	
"	9	Mdse. Invt.....L	141	2900		"	9	Jayne & Son. L	143	2225	
"	9	Expense, Invt....L	142	190		"	9	Bills Payable.....L	142	3075	
"	9	S. Thompson.....L	142	137	50	"	9	H. F. Clark.....L	141	360	
"	9	J. L. Mosher.....L	142	980		"	9	Student.....L	141	10489	50
"	9	Agnes Parsons ...L	142	75							
"	9	John Utter L	143	360							
"	9	Ira More.....L	141	455							
"	9	Wynn Reeves....L	143	170							
"	9	Cash .....C. B	145	422							
"	9	City Bank....CK. B	138	9360							
				16199	50					16199	50

BILL

BILLS

[SET

No.	When Rec'd.		Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.		Time to Run.
	1884					1884		
1	Mar	1	Student.	G. Oberholtzer.	Student.	Feb.	1	60 ds.
2	"	3	Student.	Ira More.	Student.	Mar	3	90 ds.
3	"	4	Student.	Geo. Martin.	Student.	"	4	30 ds.
4	"	5	Student.	Ira More.	Student.	"	5	60 ds.

BILLS

[SET

No.	When Issued.		Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Date of Note.		Time to Run.
	1884					1884		
1	Mar	3	Wm. Smith.	Student.	Wm. Smith.	Mar	3	30 ds.
2	"	4	Geo. Martin.	Student.	Geo. Martin.	"	4	30 ds.
3	"	5	Jayne & Son.	Student.	G. P. Anderson.	"	5	30 ds.

CASH

Dr. [SET

Date.		L. P.	CASH TO SUNDS.	Sunds.	Mdse.	Bills Rec.	Disct.
1884							
Mar	1	139	Student, Amt. Invested	10000			
"	2		Mdse., Drawer Sales.....		38		
"	3		Mdse., Drawer Sales.....		40		
"	4	142	S. Thompson, on a/c.....	200			
"	4	141	Bills Rec., Disctd. G. Martin's note.	590		600	
"	6	142	J. L. Mosher, Sight draft	400			
"	8	142	Disct. and Int., Draft favor G. P. A.				15
"	9	140	Mdse., Sales, per S. B.....		1375		
"	9	141	Mdse.....	1453	1453		
				12643			
Mar	10		Balance.....	422			

BOOK.

4.] *RECEIVABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
Oakland.	1884				1									500	
Oakland.	1884							1						650	
Oakland.	1884				3									600	Disctd., Mar. 4, '84.
Oakland.	1884					4								500	Disctd., Mar. 5, '84.

4.] *PAYABLE.*

Where Payable.	WHEN DUE. Yr.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amt.	When and How Disposed of.
Oakland.	1884				2									2475	
Oakland.	1884				3									600	
Oakland.	1884				4									1200	Paid, Mar. 9, '84.

BOOK.

4.] CR.

DATE.	L. P.	SUNDS. TO CASH.	SUNDS.	EXPENSE.	BILLS PAY.	DISCT.
1884						
Mar 1	138	City Bank, Deposited.....CK. B	9500			
" 3	142	Expense, 2 tons Coal.....		24		
" 4	138	City Bank, Deposited.....CK. B	500			
" 4	142	Disct. and Int., G. Martin's note...				10
" 5	138	City Bank, Deposited.....CK. B	600			
" 6	142	Expense, Repairing Wagon.....		12		
" 8	138	City Bank, Depostd. sight dft. CK. B	400			
" 8	142	Bills Pay., Disctd. draft of 5th inst.	1185		1200	
" 9	142	Expense.....	36	36		
" 9	143	*Balance*.....	*422*			
			12643			

STUDENT'S BALANCE SHEET, MARCH 9, 1884.

March 1 to March 9, '84.	L. P.	Trial Balance. Dr.	Trial Balance. Cr.	Inventory.	Representative. Losses.	Representative. Gains.	Student. Dr.	Student. Cr.	Real. Resources.	Real. Liabilities.
Student	141	200 ..	10500 ..					10300 ..		10489 50
Bills Receivable	141	2250 ..	1100 ..						1150 ..	
Merchandise	141	8190 ..	5530 50	*2900* ..		240 50			2900 ..	
F. M. Righter	141	150 ..	200 ..							50 ..
Jayne & Son	143	1200 ..	3425 ..							2225 ..
Bills Payable	142	1200 ..	4275 ..							3075 ..
Expense	142	236 ..		*190* ..	46 ..				190 ..	
Discount and Interest	142	20 ..	15 ..		5 ..					
H. F. Clark	141		360 ..							360 ..
S. Thompson	142	337 50	200 ..						137 50	
J. L. Mosher	142	1380 ..	400 ..						980 ..	
Agnes Parsons	142	225 ..	150 ..						75 ..	
John Utter	143	360 ..							360 ..	
Ira More	141	455 ..							455 ..	
Wynn Reeves	143	170 ..							170 ..	
Cash ..... C. B	144	12643 ..	12221 ..						422 ..	
City Bank ..... CK. B	138	11000 ..	1640 ..						9360 ..	
		40016 50	40016 50							
				Net Gain	*189 50* ..			189 50		
					240 50	240 50				
						Net Capital	*10489 50*			
							10489 50	10489 50	16199 50	16199 50

EXERCISES FOR THE STUDENT.

Set 11. Portland, Aug. 1, 1884. *Student* commenced business with *cash*, $4000, and a *note* against L. Washburn, for $350, on interest at one per cent. per month, dated July 6, 1884, at 90 ds.

2. Deposited $3500 in Bank of Oregon. Paid cash for a set of acc't books, $16.

Bo't of Reed & Co., by check on Bank of Oregon, an invoice of Mdse., amounting to $2800.

Sold J. W. Stirling, on %, 5 bbls. white fish, @ $8; 10 bbls. mess pork, @ $18.

Cash sales, $75.

3. Bo't of W. H. Sumner, on our note at 60 ds., an invoice of Mdse., amounting to $300.

Loaned H. C. Petray, $100.

Deposited $350 in Bank of Oregon.

4. Sold A. F. Wakeman 250 # coffee, @ 18¢; 10 boxes Malaga raisins, @ $2.75; 25 bbls. flour, @ $7; rec'd in payment, note at 90 ds., for $200;—balance on acc't.

Sold M. A. Rouse, 60 boxes No. 1 herring, @ 25¢; 800 # bacon, @ 18¢; 30 bbls. flour, @ $7; rec'd in payment, our note of 3d inst., favor W. H. Sumner, for $288 (face of note, $300), and an order on K. F. Watkins, for balance.

Paid cash for drayage, $3.75.

Sold E. M. Purinton 10 # tea, @ 70¢; 500 # flour, @ $3.50 per C.; 200 # potatoes, @ 1½¢; 10 # syrup, @ 80¢; rec'd in payment, 16 # eggs, @ 40¢;—cash for balance.

Cash sales, $76.

5. Sold J. J. Zielian, on %, 20 doz. 2 # canned pears, @ $3; 25 doz. 3 # canned tomatoes, @ $2.75.

Returned to W. H. Sumner, 5 bbls. white fish, @ $9, and rec'd cash for same.

Sold A. K. Ballou, on %, 500 # beans, @ 4¢; 50 # rice, @ 6½¢; 100 # salt, @ 2¢.

A. F. Wakeman returned 3 bbls. flour, @ $7.

Cash sales, $86.50.

6. Deposited in Bank of Oregon, cash, $100.

Bo't of V. Dornberger, on %, an invoice of Mdse. amounting to $275.

EXERCISES FOR THE STUDENT.

Sold E. M. Purinton, on %, 20 cases French mustard, @ $2; 20 doz. pint pickles, @ $2.25.

Rec'd from L. Washburn a draft on Bank of Oregon for $103.50,—$3.50 for interest, and $100 in part payment of her note of 1st inst.

Deposited this draft in the bank.

Cash sales, $65.

8. Sold J. W. Stirling, on %, 40 boxes soap, @ $1.50; 25 kegs pickled onions, @ $4.

Rec'd from A. F. Wakeman, a draft on Commercial Bank, to balance her account.

Paid for insurance, by check on Bank of Oregon, $16.

Accepted V. Dornberger's draft on us, at 30 ds., for $175.

Cash sales, $89.

9. Discounted note received on 4th inst., from A. F. Wakeman, and rec'd cash, $190.

Sold J. J. Zielian, on %, 2 casks Zante currants, 540 #, @ 10¢; 5 boxes Fresno raisins, @ $2.75.

Gave our clerk, in payment of salary due, an order on E. M. Purinton for $20.

Deposited $250 in Bank of Oregon.

Cash sales, $46.

10. Sold Henry Lawless, on %, 40 bbls. flour, @ $7.

Rec'd from A. K. Ballou a postal note for $20, to apply to acc't.

Bo't of E. M. Asmus, by check on Bank of Oregon, 1,100 # dried prunes, @ 10¢.

Sold C. F. Donnelly, 10 kegs syrup, @ $3.75; 160 # vinegar, @ 40¢; 40 hams, 500 #, @ 18¢; rec'd in payment, note at 60 ds. for $100;—cash for balance.

11. Rec'd from J. W. Stirling, on %, an order on Chas. Smith for $75.

Paid, for stamps and expressage, $4.80.

Sold A. K. Ballow, on %, 50 bottles tomato catsup, @ 25¢; 40 bottles chow chow, @ 20¢.

Bo't of C. F. Donnelly, 800 # dried peaches, @ 15¢; gave in part payment, her note of 10th inst., for $94 (face of note, $100);—balance on acc't.

EXERCISES FOR THE STUDENT.

Cash sales, $77.

12. Henry Lawless has failed, and we have rec'd a draft on Commercial Bank, for 40 % of amount due us.

Deposited this draft, and $75 in coin, in Bank of Oregon.

Sold E. M. Purinton, on ℅, 40 stone jars, @ $1.20; 120 ℔ Java coffee, @ 20¢; 10 cases kerosene, @ $3; 200 ℔ cheese, @ 16¢.

Sold V. Dornberger, on ℅, 1 set dishes, $18.

Donated cash, $10, for church purposes.

Bo't 3 tickets to a ball, benefit of firemen's fund, and paid cash, $6.

13. Sold M. A. Rouse, on ℅, 100 sacks, 25 ℔ each, corn meal, @ $1.20 per sack.

Sold C. F. Donnelly, on ℅, 800 ℔ wheat, @ $1.75 per C.; 400 ℔ potatoes, @ 2¢.

Sold A. K. Ballou 800 ℔ sugar, @ 12½¢; rec'd cash, $75;—balance on acc't.

Cash sales, $105.

14. E. M. Purinton reports some of the jars, bo't of us on 12th inst., to be of an inferior quality, and we have allowed her a discount of 15 % on amt. of bill for jars.

Deposited, in Bank of Oregon, cash, $100.

Rec'd from A. K. Ballou a P. O. order to balance her acc't.

Student has taken groceries for private use, amounting to $67.50.

15. Took an inventory and found Mdse. on hand amounting to $1400.

KEY

TO

EXERCISES FOR THE STUDENT.

KEY TO EXERCISES FOR THE STUDENT.

PART I.

[NOTE.—A "Key" to the exercises has been added, in order to afford the student reliable checks on the outcome of his work. These "Closing Statements," also, will relieve the teacher from the task of verifying the purely arithmetical part of the work, permitting his time to be given, wholly, to the book-keeping proper of his class. In these statements the amounts drawn out by the proprietors during the time of business are to be counted in reducing net capital at commencement.]

CLOSING STATEMENT, SET 1.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	145	06	Personal Acc'ts. (Ledger)....	85	60
Cash.....	954	10	*W. Megarry's Present Net Cap.*	*3373*	*56*
Mdse. (Inventory).....	2360				
	3459	16		3459	16

Wm. Megarry's Present Net Capital, $3373.56
" " Net Investment, 3106.50
" " Net Gain, $267.06

CLOSING STATEMENT, SET 2.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	1770	95	Personal Acc'ts. (Ledger)....	125	
Bills Receivable.....	226	30	*Student's Present Net Capital.*	*2819*	*25*
Cash.....	257				
Mdse. (Inventory).....	390				
Tools, etc. (Inventory).....	300				
	2944	25		2944	25

Student's Present Net Capital, $2819.25
" Net Investment, 2150.
" Net Gain, $ 669.25

CLOSING STATEMENT, SET 3.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	22	55	Personal Acc'ts. (Ledger)....	5	65
Cash.....	562	07	*Wm. Bacon's Present Net Cap.*	*828*	*97*
Mdse. (Inventory).....	250				
	834	62		834	62

Wm. Bacon's Present Net Capital, $828.97
" " Net Investment, 800.
" " Net Gain, $ 28.97

KEY TO EXERCISES FOR THE STUDENT.

CLOSING STATEMENT, SET 4.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	316	10	Personal Acc'ts. (Ledger)....	447	46
Bills Receivable	712	50	*M. H. Lawson's Pres. Net Cap.*	*7152*	*29*
Cash.....	1611	15			
Mdse. (Inventory).....	4960				
	7599	75		7599	75

Martin H. Lawson's Present Net Capital, $7152.29
" " " Net Investment, 6900.
" " " Net Gain, $ 252.29

CLOSING STATEMENT, SET 5.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	84	67	Personal Acc'ts. (Ledger) ...	159	50
Cash.....	361	85	*G. W. Congdon's Pres. Net Cap.*	*1971*	*02*
Bank.....	784				
Mdse. (Inventory)	900				
	2130	52		2130	52

G. W. Congdon's Net Investment, $2039.90
" " Present Net Capital, 1971.02
" " Net Loss. $ 68.88

CLOSING STATEMENT, SET 6.

RESOURCES.			LIABILITIES.		
Personal Acc'ts. (Ledger)....	925	50	Personal Acc'ts. (Ledger) ...	4267	50
Cash.....	2109	13	*Chipman & Sears' Pres. Net Cap.*	*9032*	*13*
Bills Receivable.....	865				
Mdse. (Inventory).....	5400				
Real Estate, Store.....	4000				
	13299	63		13299	63

Chipman & Sears' Present Net Capital, $9032.13
" " Net Investment, 8621.
" " Net Gain, $ 411.13

Wm. Chipman's ½ Net Gain, $ 205.57
" " Net Investment, 4295.25
" " Present Net Capital, $4500.82

Wm. H. Sears' ½ Net Gain, $ 205.56
" " " Net Investment, 4325.75
" " " Present Net Capital, $4531.31

KEY TO EXERCISES FOR THE STUDENT.

PART II.

CLOSING STATEMENT, SET 1.

RESOURCES.						
Cash on hand		1028	33			
Bills Receivable		110				
Mdse., as per Inventory		575			1713	33
LIABILITIES.						
Personal Accounts		150	55			
Student's Capital at Commencement		1550				
Student's Net Gain		*12*	*78*		1713	33

CLOSING STATEMENT, SET 2.

RESOURCES.						
Cash on hand		2676	45			
Bills Receivable		243				
Personal Accounts		810				
Mdse., as per Inventory		7625	50		11354	95
LIABILITIES.						
Bills Payable		731	25			
Student's Capital at Commencement		8705				
Student's Net Gain		*1918*	*70*		11354	95

CLOSING STATEMENT, SET 3.

RESOURCES.						
Cash on hand		844	55			
Bills Receivable		250				
Personal Accounts		285				
Mdse., as per Inventory		1750			3129	55
LIABILITIES.						
Bills Payable		1475				
A. Cochrane's Capital at Commencement		1550				
A. Cochrane's Net Gain		*104*	*55*		3129	55

KEY TO EXERCISES FOR THE STUDENT.

CLOSING STATEMENT, SET 4.

RESOURCES.				
Cash on hand	2427	75		
Mdse., as per Inventory	4106			
Coal, " "	26		6559	75
LIABILITIES.				
Personal Accounts	517	90		
Bills Payable	619			
Student's Capital at Commencement	5150			
Student's Net Gain	*272*	*85*	6559	75

CLOSING STATEMENT, SET 5.

RESOURCES.				
Cash on hand	4240	70		
Bills Receivable	200			
Mdse., as per Inventory	5388		9828	70
LIABILITIES.				
Personal Accounts	582	52		
Bills Payable	1346			
Tyrrell & Co.'s Capital at Commencement	7845			
Tyrrell & Co.'s Net Gain	*55*	*18*	9828	70

CLOSING STATEMENT, SET 6.

RESOURCES.				
Cash on hand	2678	63		
Bills Receivable	746	28		
Mdse., as per Inventory	1860			
Coal, " "	18		5302	91
LIABILITIES.				
Personal Accounts	63	25		
Bills Payable	200			
Williams & Gibson's Capital at Commencement	4900			
A. S. Williams's Net Gain	*59*	*85*		
J. E. Gibson's Net Gain	*79*	*81*	5302	91

KEY TO EXERCISES FOR THE STUDENT

CLOSING STATEMENT, SET 7.

RESOURCES.			
Cash on hand	2397	50	
Bills Receivable	1225		
Mdse., as per Inventory	1735		
Stationery, as per Inventory	12	50	5370
LIABILITIES.			
Personal Accounts	472	50	
Bills Payable	2750		
G. A. Mills's Capital at Commencement	2017	50	
G. A. Mills's Net Gain	*130*		5370

CLOSING STATEMENT, SET 8.

RESOURCES.			
Cash on hand	4187	80	
Personal Accounts	366	35	
Bills Receivable	90		
Mdse., as per Inventory	3310		
Store (Real Estate)	2000		
Horse and Wagon	220		10174 15
LIABILITIES.			
Bills Payable	900		
Frank & Co's Cash Capital at Commencement	9167		
Moses Frank's ½ Net Gain	*53*	*57*	
Ed. Dinkelspiel's ½ Net Gain	*53*	*58*	10174 15

CLOSING STATEMENT, SET 9.

RESOURCES.			
Cash on hand	1841	50	
Mdse., as per Inventory	4460		
Horse and Wagon	175		6476 50
LIABILITIES.			
Personal Accounts	1425	05	
Bills Payable	800		
Student's Capital at Commencement	5200		
	7425	05	
Less Student's *Net Loss*	*948*	*55*	6476 50

KEY TO EXERCISES FOR THE STUDENT.

CLOSING STATEMENT, SET 10.

RESOURCES.					
Cash on hand	2758	20			
" in bank	3400	90			
Bills Receivable	225				
Mdse., as per Inventory	4130				
Horse and Wagon, as per Inventory	190			10704	10
LIABILITIES.					
Personal Accounts	839	35			
Bills Payable	1240				
Student's Capital at Commencement	4131	45			
Fred. Child's Capital at Commencement	4183	95			
Student's ½ Net Gain	*154*	*68*			
Fred. Child's ½ Net Gain	*154*	*67*		10704	10

CLOSING STATEMENT, SET 11.

RESOURCES.					
Cash on hand	631	80			
" in bank	1664	50			
Bills Receivable	250				
Personal Accounts	983	30			
Mdse., as per Inventory	1400			4929	60
LIABILITIES.					
Bills Payable	175				
Student's Capital at Commencement	4282	50			
Student's Net Gain	*472*	*10*		4929	60

Cash Dr Cr.

	Balance on hand	70	50		
5	Paid 6.50 for board for me			6	50
7	Received for tuition	3	50		
9	Paid for gloves			1	50
		13.	60	13.	50
	Balance on hand	5	75		

Ledger

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